



# ***Daily Report***

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## **China**

FBIS-CHI-91-004  
Monday  
7 January 1991

# Daily Report

## China

FBIS-CHI-91-004

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7 January 1991

**NOTICE TO READERS:** As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### UN Secretary General Views World Situation

HK0701115491 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 52, 24 Dec 90 pp 4, 5

["Special dispatch" from the United Nations by Qian Wenrong (6929 2429 2837): "LIAOWANG Reporter Interviews Perez de Cuellar on Gulf Crisis and World Situation"]

[Text] At the time when the 45th Session of the United Nations General Assembly is to be adjourned and the year 1990 is about to pass, the UN Secretary General Perez de Cuellar answered questions from our staff reporter on such issues as the current world political situation, the prospect of the Gulf crisis, as well as the world economic situation, South-North relations, and South-South cooperation. The full text follows:

[Reporter] Your Excellency Secretary General, what, in your opinion, are the special features of this year's world situation?

[Perez de Cuellar] Judging from a certain point of view, this year has a positive side, for it is a year when Namibia finally won independence, to which the UN and myself have devoted much effort over the years. As secretary general, I give my warm welcome to this achievement. In addition, this year has seen activities taken by the Security Council, and more important, a demonstration of its authoritativeness. That the cold war has come to its end is another factor which, though not directly relating to the UN, does have enormous indirect impact on the UN, helping create a positive atmosphere within the UN General Assembly and Security Council.

Undoubtedly, this year has had its negative side as well, marked by the Middle East situation, that is, the situation between Iraq and Kuwait. The UN Security Council has given its rapid and strong response to this issue, which serves to send a message to the world opinion: The UN will neither encourage nor tolerate aggressors.

The unanimity reached among the five permanent members of the UN Security Council has brought hope to the UN's future. Since 1987, when the Security Council unanimously adopted Resolution No. 598 on the Iran-Iraq conflict, there has been a tendency among the five permanent members to make common efforts in seeking resolutions to international issues. This is most evidently shown by two cases, namely Resolution No. 598 on the Iran-Iraq conflict and Resolutions Nos. 660, 661, 662, and 664 on the situation between Iraq and Kuwait.

[Reporter] What is your view on the prospect of the Gulf crisis? What other roles will the UN intend to play in mediating the Gulf crisis?

[Perez de Cuellar] The current situation is extremely worrying. As secretary general, I have the responsibility to keep a close look on the development of the situation

there. However, the Security Council's Resolution No. 678 has caused a change in the situation by adopting a stand invoking Clauses 41 and 42 of the United Nations Charter, that is, to authorize certain countries to resort to "all possible means" to have the Security Council's resolutions executed. "All possible means" includes the use of force. Of course, I feel deeply worried because I, as secretary general, should exert myself in maintaining peace. I should, in the capacity of secretary general, create all possibilities to prevent both sides from taking hostile activities, and mediate to bring about a peaceful settlement.

During the period from the end of last August to the beginning of last September, I went to Amman to persuade the Iraqi Government into accepting and executing UN Resolutions Nos. 660, 661, 662, and 664. It is a pity that I attempted in vain. However, I am still keeping contacts with the Iraqi Government through the Iraqi resident ambassador in the United Nations so as to keep them informed that the secretary general is always ready to help resolve the current situation through peaceful means within the scope of the Security Council's resolutions.

I welcome the United States' proposal (to hold direct dialogues with Iraq), for this proposal may bring about developments toward a peaceful resolution. In my opinion, as secretary general, I feel it is not the right time for me to make any interference or mediation for the time being because we should give a chance for the U.S. proposal to be carried out. It goes without saying that if the U.S. does not succeed with its proposal, I must consider what kind of help I can offer. Yet, as long as the proposal exists, I should, in my opinion, do nothing but keep an eye on the development of the situation from aside and, at the same time, let the United States and other allied countries know that the secretary general, while refraining himself from taking any personal actions on his own initiative, is ready at all times to make his contributions to peace. Undoubtedly, even if I take no personal actions on my own initiative, I am always ready to help any country which is willing to resolve this international issue through peaceful means.

I find the U.S. proposal interesting, for it provides Iraq with an opportunity to open a long-desired dialogue with its opponent. In my opinion, if both sides as well as Iraq's allies and the U.S.' allied nations all adopt a flexible and reasonable attitude, certain achievements can be reached during the dialogue. I consider it imperative for us to remain patient. Having been waiting for four months, we still have more than one month (according to the UN Resolution No. 678, Iraq is required to withdraw its troops from Kuwait within 45 days) to carry out our efforts which may bring about peace. This means a lot to me. However, provided the United States met failure in its decision or other attempts, I would be extremely concerned because I could not see any other peaceful choices.

[Reporter] What measures should the international community take to help developing countries bring about economic development and social progress?

[Perez de Cuellar] The major measures which should be taken by the international community, especially industrialized countries, are the following: First, to offer governmental aid. The aid index originally agreed by industrialized countries is seven percent of their GNP; however, it has currently been stagnant at around four percent. So far, the aid offered by advanced countries still falls far behind the targets they promised. This is one of the problems which arouses our real concern. Second, to provide some developing countries with special channels for their (commodity) exports through a so-called preferential popularization system. We feel extremely disappointed at the breakdown of recent Uruguay Round talks (held in Brussels) on world trade issues. Third, to offer technological aid, especially multilateral aid carried out through the UN setup. At the same time, industrialized countries should also provide bilateral technological aid. Advanced countries have already offered some technological aid through the UN setup, yet what they have offered is far from enough, and falls far behind proportionally from the large amount of aid demanded by developing countries.

All aid is useful, yet it is a pity that the aid is insufficient to change the difficult situation suffered by developing countries over the past 10 years, which is marked by a drop in the price of primary products as well as heavy debts.

Particularly worrying is that a special conference on trade, currency, and financial issues, which is to be held soon, has given no consideration to carrying out discussions on some transdepartmental problems relating to human existence, such as the environmental problem. Although it is good to hold a meeting (in 1992) on environmental and development issues, it is more imperative for us to combine the environmental issue with talks on some substantive issues which are to be held by the international community.

In my opinion, as an entity including the UN General Assembly and the Economic and Social Council, the United Nations has not played an efficient role in handling economic problems of developing countries. The difficulties we have encountered are caused by the lack of dialogue between the South and the North.

[Reporter] What is your view on South-North relations? In what ways should South-South cooperation be strengthened?

[Perez de Cuellar] At present, there evidently exists a risk; that is, industrialized countries in the North have all concentrated their attention on resolving problems encountered in their efforts to help former socialist countries in Eastern Europe transition to a market economy, and bring them into line with the Brighton [bu lei dun 1580 7191 7319] forestry, trade, and payment system.

What I feel particularly concerned about is that the cost required by this transition is much heavier than estimated, which may even increase the number of immigrants to an unimaginable extent. This is an issue of extreme gravity. The Soviets say that there will be several million Soviets intending to migrate to Western countries, because they are unemployed and do not have enough food in their own country. It is a pity that our western friends are still unaware of this. If we fail to put an end to this trend, an extremely dangerous immigration tide will be touched off. The challenge we are facing is to create conditions to enable all people, including people in developing countries, to make a living in their own countries instead of migrating to other places.

[Reporter] What is your view of current South-North relations? How should efforts be taken to bring about a South-North dialogue, and resolve the unfair state of affairs in the current South-North relations?

[Perez de Cuellar] The gap between the South and the North continues widening instead of narrowing. Since the end of the cold war, several unanimous and well-worded declarations have been issued, yet they have been followed by few relevant special actions. There used to be a debate in the international community on whether development is only brought about by sound domestic policies or by international aid. By now, this fruitless debate, sometimes with political flavor, has come to its end. After the 18th Session of the UN (Economic) Special Conference held last June, all UN members considered both necessary.

In my opinion, both domestic and international efforts should be strengthened. Even if they have established sound economic policies of their own, large numbers of developing countries still lack funds to carry out their already-started ambitious reforms.

In my opinion, advanced countries should offer substantive aid. If you are hungry, I give you a sandwich which may last 12 hours. However, after 12 hours, you are hungry again and need another sandwich. Such aid cannot resolve any problem once and for all. Therefore, substantive aid should be offered to developing countries as a permanent solution to their problems.

In my recent speech in Paris, I said to the state leaders of European countries, the United States, and Canada: As long as the issue of the South remains unsettled, you are just sitting on dangerous thrones, because if no improvement is made in the current state of affairs of developing countries, your thrones will also be fragile. What I say does not mean that I demand that advanced countries help countries in the South bring about prosperity, but it means that they should at least enable them to possess the bare guarantees of life. It is a pity that some major advanced countries have made insufficient efforts in this regard. This is naturally the major problem we are now facing. However, I myself have no idea what we should do with this problem.

I hope a dialogue between the South and the North can be soon resumed. One of the reasons leading to the failure of South-North dialogue may be that the undue ambition of the Third World countries in their efforts to set up a new world economic order 20 years ago scared advanced countries. I consider it necessary for us to advance step by step; that is, our efforts should firstly be concentrated on resolving certain concrete issues such as trade, currency, and debt issues; and then be extended to other issues. In my opinion, we were somewhat over-optimistic at that time.

Another important issue is South-South cooperation, which can be called horizontal cooperation. There are many things that can be done in this cooperation, for all participating countries are less-advanced ones on another level. Countries like Brazil, India, and other countries have undergone development to a certain degree, and this can be shared with other South countries. This is the same as what China has done in many countries. Aid from China is most welcomed, for the aid China provides has no political strings attached. Some state leaders of African countries told me that the Chinese will leave a country after they complete their aid tasks there. However, things are not the same with other countries. That is the reason why I always feel that we will face an extremely difficult situation in the future.

I hope that following the just-ended Conference on Security and Cooperation in Europe, advanced countries can make concerted efforts to offer substantive aid. It is necessary for us to improve the current state of affairs to a great extent. We also need to carry out a South-North dialogue, for treaties between the East and the West alone are not enough.

I very much hope that the large problems faced by developing countries can be swiftly and efficiently resolved. I believe that government leaders of various countries will realize in a highly sensible way that in order to protect our environment, we should help developing countries eliminate poverty and bring about development.

#### **'Yearender' Views International Situation Symposium**

HK0401073391 Beijing RENMIN RIBAO in Chinese  
28 Dec 90 p 7

["Yearender" by staff reporters Xi Linsheng (1598 2651 3932), Zhang Yunwen (1728 0336 2429), and Zheng Yuanyuan (6774 0954 0954): "International Situation in Which a New Pattern Is Replacing the Old: Roundup of Symposium on International Situation Held by the International Studies Center"—first paragraph is editor's note]

[Text] In mid-November, the International Studies Center of China invited more than 70 of the country's famous international affairs experts and scholars to hold a three-day symposium on the international situation. The participants carried out extensive and deep discussions on such major issues as the change in the world pattern, the Gulf crisis, the European situation, the

developmental tendency of the world economy, and the situation in the Asia-Pacific region. The scholars frankly and freely expressed their own opinions, reviewed the development of the international situation in the past year, and predicted the development prospects in a warm and animated atmosphere. The main viewpoints expressed at the meeting are summarized as follows for readers' reference.

#### **Unstable Factors Are Growing Under Detente, and the Multipolar Tendency Is Developing in the Change in the World Pattern**

A major characteristic of the international situation in the past year was that the world pattern underwent the largest change in the postwar period. The symposium participants expressed various opinions on this issue. They generally agreed that the "Yalta structure" existing between the East and the West for 45 postwar years has disintegrated and the contemporary world is undergoing a period of transition from the old pattern to a new one. Some scholars held that the current situation can be rather accurately described with the following two phrases: The old pattern has been broken, but has not been completely terminated; the new pattern is growing at an increasing speed in a certain direction, but has not taken shape yet. Some other scholars held that the change in the world pattern can be traced back to the early 1960's, and the uneven development of political and military forces turned quantitative changes into a qualitative change. The change from a multipolar economic pattern to a multipolar political pattern was completed between the late 1980's and the early 1990's. However, most speakers pointed out that the change from a multipolar economic pattern to a multipolar political pattern has not been completed yet. Because the current change in the world pattern is occurring peacefully, there will be a rather long transitional period in theory as well as in reality.

The marked indicator of the change in the world pattern is the development from a bipolar structure in the world to a multipolar structure. Along with the appearance of the multipolar structure, the following characteristics have also appeared in the international situation: First, there is a change in the concept of the East and the West, and the military nature of the alliances is also gradually changing. Second, the influence of the United States in the world is getting weaker, but its status as a superpower has not been shaken. Third, the Soviet Union remains another big power in the world, but its strength has declined greatly. While entering into cooperation with the United States in some aspects, it will continue the rivalry with the United States in other aspects. Fourth, the development of capitalism is uneven. Such new economic powers as Japan and Germany will become more dynamic in the world arena, and will try to play a greater role. Fifth, in the transitional period of the world pattern, some regional powers may become new political forces that affect the world situation. Under such circumstances, various countries will place more stress on their own national economic and security interests and



show a higher degree of independency. Some scholars pointed out that the 1990's will be a decade in which the bipolar pattern will undergo thorough disintegration and a new multipolar pattern will gradually take shape. Some other scholars held that it will be hard to form another fixed world pattern like the Yalta pattern in the postwar years, and the world will be in a rather fluid condition for a fairly long time to come.

Under the situation in which the bipolar pattern is tending to disintegrate and the multipolar pattern has not taken shape yet, it is possible that the balance of strength is upset in some regions, and various forces in the world are trying hard to adapt themselves to the change in the world pattern and to exert their influence on the forming of the new pattern in order to stake out a favorable position in the future pattern. This will thus bring about a complex and complicated situation in the world, and the world situation will be full of many uncertain, unstable, and unsafe factors. Many contradictions and conflicts that were concealed by the East-West cold war will reappear and become more salient and intense. Regional and local turbulences will increase. The development and change in the situation will become more complicated and confusing, and it will be more difficult to anticipate and control the course of future developments and changes. For example, the drastic changes in Eastern Europe and the Gulf crisis all broke out abruptly beyond people's expectations. So some people thought that a multipolar world would not be safer than a bipolar world. The participants did not agree with this opinion. Many of them said that although there is unrest and turbulence in the world, detente and development remain the mainstream and another world war is unlikely to break out. Their grounds are: The multipolar tendency has caused major changes in the alignment and contrast between various forces. It should be noted that there is not only rivalry between various forces, but also coordination and dialogue, as they are interdependent. However, such a multipolar structure will not take a fixed form. It is likely that a number of countries will form the political poles, while other countries form the military or economic poles. There are conflicts of interest as well as cooperation between various combinations. Therefore, the situation will be complicated and changeable, and diplomacy between various countries will become very active. They will maneuver among each other and will constrain each other. This will play a certain role in preventing the outbreak of large-scale wars. So, as compared with the previous rivalry between the two superpowers, which might have developed into a potential source of another world war, the new situation will be more favorable to peace and development.

**There Are Obvious Differences Between the Current Gulf Crisis and Previous Crises, Europe's Realignment Will Bring About New Contradictions**

The Gulf crisis occurred when the world pattern was changing and international relations were off balance. It was a major crisis after the end of the cold war. As

compared with the crises in the cold war period (such as the Berlin Wall crisis, the Cuban missile crisis), the current crisis in the Gulf bears many apparent different characteristics. First, in the previous crises, the sides in confrontation were mainly the United States and the Soviet Union, and the two sides were well-matched in strength. Once the situation had gone out of control, the crisis would have been very likely to trigger off a world war. This time, there is a great disparity in strength between the two sides confronting one another in the crisis and the confrontation is ill-balanced. So even if war eventually breaks out, it will just be a local war. Second, the previous conflicts bore a heavy ideological color; but the current conflicts are mainly economic and strategic interest conflicts between the two sides and bear a strong "oil smell." Third, in the past, the United States and the Soviet Union could mediate and terminate the crises on their own, and other countries and the United Nations basically could do nothing; but this time, the international community can play a part in the mediation. All these differences mark the characteristics of the new period.

In 1990, major changes occurred in the European situation. The two Germanys were reunified; an agreement was reached on conventional disarmament in Europe; and the second CSCE summit meeting was held in Paris 15 years after the first. All this marked the disintegration of the cold war structure characterized by the division of Europe. Europe's future orientation has become an issue that attracts people's attention. In Western Europe, some people held that as the U.S. and Soviet capacity for controlling European affairs is becoming attenuated, and as the traditional concept of East and West will no longer exist in Europe, the slogan of "a Europe from the Atlantic to the Urals" will gradually sound louder. With the relaxation of the European situation, the defense relations between the United States and Europe will also become looser. However, there still exist many uncertain and unstable factors in Europe. Many things still require cool-headed observation. The symposium participants also discussed the post-reunification prospects of Germany, that is, whether there will be a "Germany's Europe" or a "Europe's Germany."

Some people said: The rise of Germany is an event that worries various West European countries, but they have no choice but to accept it. Henceforth, the struggle for European leadership will become more intense. Europe's realignment will continue for a certain period. It seems that a new European pattern acceptable to all countries concerned will not appear in the near future. However, with the development of Western Europe's economic and political integration process, represented by the EC, Europe is very likely to become one of the world poles with increasing influence in the 1990's.

Many symposium participants pointed out: Although the danger of world war and nuclear war has been lessened, the Gulf crisis reminds us that the world is still far from being peaceful, and there remains unrest and turbulence. Some Western big powers are still intensively pursuing

power politics, and new forms of hegemonism are still appearing. The arms race in the Gulf and other regions will continue. Although the competition between various countries has been shifted from the military field to the economic field, the danger of the use of force still exists in reality. An opinion in the Western countries holds that the new world order is just the rearrangement of power politics, and the future world will be one dominated by the three economic powers, namely, the United States, Japan, and Europe. The experts held: Power politics may still be able to prevail for the time being, but the growing multipolar tendency has indicated its decline. The United States, Japan, and Europe may hold a weighty position in the world economy, but it will be absolutely impossible for the three to completely dominate the world. At present, relations between big and small countries are still inequitable. Such big powers as the United States are unlikely to give up intervention in other countries' affairs. Regional hegemonism will also often break the rules of the international community in order to seek selfish interests. Therefore, when facing the disorderly world, people in many countries have put forward various proposals for setting up the post-cold war world order. Of course, these proposals also reflect their own interests and are full of struggle.

Everyone unanimously agreed that our government's positive position of upholding the five principles of peaceful coexistence is completely in keeping with the spirit and principle of the UN Charter, and has stood the test of the changes in the international situation and won extensive consent from the international community. The establishment of the new international political and economic order should follow these basic principles.

#### **The Tendencies of Economic Syndication and Political Multipolarization Grow Synchronously, the Two Imbalances in the World Economy Will Affect the Situation's Stability**

Over the past year, some noticeable changes appeared in the world economy. The most important characteristic was the rapid growth in the tendency of economic internationalization and syndication. The experts and scholars attending the symposium took various approaches to analyze this issue. Some people held that this tendency had always been growing in the postwar period, and it grew into a universal phenomenon in recent years and thus attracted widespread attention. The tendency of economic internationalization and syndication is also growing synchronously with the multipolar tendency in international politics, and is promoting the multipolarization of the world pattern. The relative decline of the United States, the rise of Japan and Germany, and the rapid advance of the integration process of the EC have all contributed to the growth of these tendencies.

Some experts particularly pointed out the close relationship between economic internationalization and the development of transport and communications. The emergence of multinational corporations in the postwar

years also pushed ahead this tendency. In the world economy, there has already appeared an interdependent and interwoven situation in which one nation's economic interests overlap another's. This not only reinforces interdependence but also intensifies competition. The competition is focused on market, technology, and finance. Some scholars held: At present, the economic strength of a nation cannot be judged merely according to its gross national product, but should also be linked to its status in global trade. One of the reasons for the rapid growth in the Japanese and German economies is the reinforcement of their position in foreign trade. Some countries could succeed in economic take-off with the help of foreign loans, but others were just weighed down by the debt burdens. This was also related to their different trade positions, namely, their competitive power in the market.

The scholars expressed their own opinions on the favorable and unfavorable effects of economic syndication on the world economy as a whole, and they generally agreed that increases in trade through the regional economic groups can be divided into two categories, namely, trade creation and trade transfer. The development of association, syndication, and integration in various regions will not only promote trade transfers but will also increase the gross volume of trade. So its positive effects exceed the negative effects of protectionism. Of course, economic syndication will lead to a higher level of competition among Europe, Japan, and the United States, and the struggle will become more intense. In short, the tendency of syndication will be favorable to nations with stronger competitive power and unfavorable to nations with weak competitive power.

The symposium participants held: In the 1990's, various countries will continue to develop through interdependence and competition. The multipolar tendency will make various forces constrain each other. This will be favorable to the relaxation of the situation, but will intensify the competition among various countries in the economic field. They will endeavor to develop their comprehensive national strength, especially to develop high technology and attach greater importance to education and the training of talents. Thus, the rivalry concerning talented and skilled manpower will be more intense.

When predicting the world economic situation in the 1990's, most scholars held a prudently optimistic attitude. They held: The United States will move into recession, but the recession will not be too serious, because various Western countries have reinforced their international coordination and macroeconomic adjustment in recent years. A more important reason is the softening of the industrial structure, in which tertiary industry now occupies an increasing proportion in their national economies. Moreover, the developed countries will not enter recession at the same time, and this will reduce the impact of the coming recession on the world economy, and its effects will not be too serious. The scholars also pointed out: The development of the world

economy is facing two imbalances, namely, the imbalance between the developed countries and the imbalance between the developed countries and the developing countries. The latter is mainly reflected in the further widening of the North-South gap, while disparity also exists between the South countries. The gap between some South countries and the North will be further widened, but that between other South countries and the North will be narrowed. The experts generally held that the further pauperization of the South countries will pose a serious problem. The population of the South countries has reached 3.5 billion people, and accounts for three-fifths of the world total. In the area south of the Sahara alone, the population exceeds 400 million, but the gross national product is merely equivalent to that of Belgium, which has a population of only about 10 million. The debt burdens borne by the people there are equivalent to five times the size of the funds involved in the Marshall Plan. Its predicament is self-evident. The serious state of North-South contradictions will affect the stability of the world situation.

The experts pointed out while looking to the future that various countries will reinforce macroeconomic intervention and coordination with regard to the world economy in the 1990's; the high-tech industries will further grow substantially; the degree of economic internationalization will be raised and the pace of economic syndication will be quickened; and in particular, the developments in the three major economic regions, namely the EC, North America, and East Asia, will be spectacular. A noticeable fact is that in the 1990's, the developing countries will face a series of challenges, such as protectionism in the developed countries, the widening gap in science and technology, the outflow of capital, the shortage of foreign exchange, the backwardness of industry, the unfavorable trade position, the difficulties in controlling population increases, the brain drain, and the further worsening of the natural environment. Non-oil-producing countries will face even more economic difficulties. The developing countries are bound to split up further. They need to strengthen cooperation in order to cope with their common difficulties, especially the sinister scheme of the developed countries to shift the crisis onto them.

**Relative Stability in the Asia-Pacific Region Paves the Way to Its Quick Development, and Attention Should Be Paid to Its Conception of Economic Cooperation That Varies From That in Europe**

In the turbulent world situation, the Asia-Pacific region has maintained relative stability. The U.S.-Soviet confrontation in this region has become attenuated, and Sino-Soviet relations have been normalized. Such regional issues as the conflicts in Afghanistan and Cambodia have been settled or are being settled in a political way. The situation is becoming more relaxed. In the economic aspect, sustained rapid growth has been marked for many years in the Asia-Pacific region. So it is expected that in the 1990's, the growth tendency will continue, and the average growth speed will exceed that

in Europe. The Asia-Pacific region will also undergo a new round of industrial structural adjustment and international division of work. The participants held: It will be hard for the "four little dragons" to maintain their export-oriented economic patterns, but it will not be possible for them to completely shift the economic pattern to a domestically oriented one. New development will be made by various ASEAN countries in the process of industrialization. The Soviet Union, the United States, Japan, and China will play leading roles in this region. The U.S. economy will relatively decline, and U.S.-Japanese relations will be characterized by both rivalry and interdependence. The Asia-Pacific region surrounds our country. In recent years, our country has made major progress in developing relations with neighboring countries, and the situation is greatly favorable to us. This is an important link in our efforts to strive for a benign international environment.

On the issue of economic cooperation in the Asia-Pacific region, the experts expressed various opinions. It was generally agreed that the Asia-Pacific region differs greatly from Europe in nations, cultures, and customs, and economic development is uneven. So it is impossible to effect integration as easily as in Europe and North America. Some countries in the Asia-Pacific region are also considering organizing various forms of economic cooperation. When the syndication tendency is growing in the world, economic cooperation will inevitably be the trend in the Asia-Pacific region as well. This will be favorable to the coordination and development of various national economies in this region. So we must attach importance to this tendency. Some scholars held that as China and its neighboring countries, especially the ASEAN countries, are all striving to boost their national construction and strengthening their mutual cooperation and exchanges, this will bring about peace and stability in this region.

**The Opportunity for a Turn for the Better and Challenges Both Exist in Our Country's International Environment; in the Final Analysis, We Should Concentrate on Boosting Our National Economy**

The scholars also discussed what international environment our country will face in the 1990's. Their general view was that our country's diplomatic successes have created a better international environment for us, but the grim side will still exist. That is to say, opportunities and challenges will exist side by side. So long as we are good at maneuvering, the challenges can also be turned into opportunities. Some people held: The 1990's will be a crucial decade for China. So it is necessary to seriously study China's international environment in this decade. It is important that our country must continue the in-depth reform and opening up, adjust the economic structure, raise quality and economic results, and rely on scientific and technological progress to promote the economic adjustment. The success in foreign policy is, in the final analysis, contingent on the success in the domestic economic development. So we must immerse ourselves in hard work in order to keep our domestic



situation stable and make our economy flourish. Then, China will be able to play a greater role in international affairs. In view of the regional economic syndication tendency in the world, we need to work out our own countermeasures. Some scholars held that we should strengthen cooperation with the Asia-Pacific region and extend the opening of coastal areas to the opening of all border areas.

Some experts pointed out that henceforth, it is necessary to intensify our study of the world situation, and it will be better if we can anticipate the sudden occurrence of major events through the study of minor clues. At present, attention must still be paid to the development of the Gulf situation and the maintenance of our country's favorable diplomatic status. We should also make good preparations against the unstable factors in the world in order to keep the initiative in our hands. When facing the uneven development of the world economy, we should also be good at adjusting our policies, make use of the external contradictions, and try to win a favorable position.

### Soviet Union

#### Rogachev To Visit Briefly for Discussions

HK0701094091 Hong Kong AFP in English 0923 GMT 7 Jan 91

[Text] Beijing, Jan 7 (AFP)—Moscow's senior official on Asian affairs will make a brief visit here Thursday to consult with Chinese officials on the Cambodian and Korean problems, the Soviet Embassy said Monday.

Igor Rogachev, the Soviet first deputy foreign minister for Asia-Pacific affairs, will also discuss the Gulf crisis and bilateral relations with his Beijing counterparts, an embassy spokesman said.

Mr. Rogachev will spend several hours holding talks here before leaving for Moscow later Thursday, the spokesman added.

His visit follows reports that Chinese arms are still making their way to Khmer Rouge guerrillas, the strongest Cambodian resistance group fighting the Vietnam-supported Phnom Penh government.

The Soviet Union, an ally of Hanoi, and China have publicly stated that they have halted all arms shipments to the warring factions in line with the Cambodian peace process.

The embassy spokesman had no information about reports from Seoul, where Mr. Rogachev is currently holding policy talks with South Korean officials, that he might stop over in Pyongyang on his way home.

Soviet relations with North Korea have deteriorated since Moscow and Seoul established diplomatic relations in September.

As a result relations between China and North Korea, which remain hardline communist states amid Soviet political reforms, have been seen as moving closer.

China and the Soviet Union have been North Korea's main aid suppliers.

#### Deputy Foreign Minister Meets PRC Ambassador

OW0501114891 Moscow International Service in Mandarin 0100 GMT 5 Jan 91

[Text] Soviet Deputy Minister of Foreign Affairs Rogachev received Yu Hongliang, ambassador of the People's Republic of China to the Soviet Union. They discussed the results of the meeting of work teams of Soviet-Chinese border talks held in Beijing last December. The two sides also exchanged opinions on certain questions in regard to relations between the two countries.

#### Xinjiang, USSR Cooperation Viewed

HK0401093791 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 52, 24 Dec 90 p 32

[Article by Zhu Dongju (2612 0392 5468): "Economic, Trade, Scientific, Technological Cooperation Between Xinjiang and Soviet Border Areas in Full Swing"]

[Text] This autumn, Xinjiang Uygur Autonomous Region toured the "China Xinjiang Scientific and Technological Exhibition" in Central Asia in the Soviet Union, and attracted a huge number of spectators in each place. To see the new technologies and products which signify the level of social and economic development in China's Xinjiang, the Soviets flew in specifically from afar, and lined up to wait for their turns to enter the exhibition hall. Many spectators were dazzled by the endless array of beautiful exhibits to the extent that they forgot to go home; they were particularly interested in the daily necessities, and anxiously said they wanted to buy. In various localities, friends from scientific and technological circles, entrepreneurial circles, higher learning institutes, and government departments came to see the exhibition, after that, they approached the exhibitors to discuss the matter of cooperation. During the 15-day tour of exhibition, more than 100 groups of Soviet personnel came for formal talks, and signed 26 letters of intent concerning scientific, technological, economic, and trade cooperation involving agricultural machines, chemical fertilizers, clothing, textile, household electric appliances, processing of agricultural products, and training of personnel; as well as those concerning the establishment of joint venture enterprises and research cooperation. Both sides sincerely hoped that on the current premise of exchange and cooperation, they can carry out more extensive and profound cooperation and exchange in the aspects of science, technology, economy, trade, and culture.

### Economic and Trade Interaction Develops Rapidly

China's Xinjiang is linked to Soviet Central Asia, and transportation is easy, while languages are understandable, and both sides have cooperated for a long time. Economic developments in both sides make the development of economic, trade, scientific, and technological cooperation an objective demand. Xinjiang restored trade with the Soviet Union in the early 1980's, since then, both sides have made outstanding achievements in economic, trade, scientific, and technological cooperation.

In 1983, the Huoerguosi port on the Sino-Soviet border was reopened, and the "silk road caravan," which had been suspended for 20 years, again organized trucks and horses to carry goods westward. Along the 3,000-km border between Xinjiang and the Soviet Union's Central Asia, barter trade flourished again. Xinjiang used its plush, prints, hops, and thermoses to exchange for the Soviet Union's steels, automobiles, chemical fertilizers, cements, and refrigerators. Trade volume increased year after year. In 1983, Xinjiang's import and export trade with the Soviet Union amounted to 96.5 million Swiss francs; in 1985, it rose to 147 million Swiss francs. In 1986, according to a mutual agreement between China and the Soviet Union, Xinjiang restored local trade with five republics in the Soviet Union's Central Asia, and the three oblasts of Altay, Krasnogvardeysk, and Miannoufu [4884 6179 1133], as well as with the Soviet Union East Trading Company. This has created a broad prospect for developing economic and trade cooperation between Xinjiang and the Soviet Union's Central Asian region.

In June 1986, the Xinjiang border trade delegation visited Alma Ata; the Soviet side expressed great hospitality and sincere wish for cooperation. Various republics in Central Asia, and various border districts (oblast) sent delegations composed of many ranking officials to hold talks with the Xinjiang border trade delegation. Both sides unanimously agreed that development of economic and trade cooperation is important, and that the building of a firm and friendly neighborhood relationship is more important.

At the same time, the Xinjiang Products Exhibition and Purchase Fair, held in Alma Ata, capital of the Kazakh Republic, was also welcomed by various nationalities in the Soviet Union; many people from the republics in Central Asia travelled a long way to come for a viewing. They spoke highly of the products on display, but regretted that those products were not for sale. Therefore, the Soviet side actively sought to sign trade contracts with the Xinjiang border trade delegation, hence, economic and trade delegations from both sides frequently visited each other, and interactions became more frequent.

On the premise of continually expanding economic and trade activities, Xinjiang and the Soviet Union started economic and technological cooperation. Last year, Ka Ka Bayikenuofu [0595 0595 1572 0181 0344 6179

1133], vice chairman of the Council of Ministers in the Kazakh Republic, led his delegation to Xinjiang for a visit, and in Urumqi they signed the regulations on economic, technological, and trade cooperation which would be valid from 1989 to 1995. The regulations involved 25 major projects including electricity, chemical fertilizer, geology, communication, machinery, and electronics; as well as 53 minor projects. These projects involved 10 billion yuan.

In the past two years, Xinjiang signed 13 contracts with five republics in Soviet Central Asia, the Russian Republic, and the Ukrainian Republic; the contracts involved labor export, construction, and economic and technological cooperation. Another 12 contracts will be signed soon, and four major cooperation projects have been agreed upon, in addition to some 100 other projects which are being discussed.

At present, more than 1,000 vegetable growers and construction workers from Xinjiang are working in Europe according to contracts. Tashkent International Thermos Company, and Akebula [7093 0344 0008 2139] Thermos Company, which have been provided with technology, equipment, and glass liner by Xinjiang, and which will produce one million thermoses annually, have already turned out products since May in Uzbek's Tashkent and Kazakh's Alma Ata respectively. Some other projects are also being planned.

Nowadays, the daily necessities such as clothes, knitwear, potatoes, beef, and light industrial products including electric appliances, are being transported to the Soviet Union almost every day, whereas the Soviet trucks loaded with commodities such as steel, cement, and chemical fertilizers are travelling on the highways to China. In 1988, Xinjiang's local [as published] export and import trade with the Soviet Union amounted to 47 million Swiss francs; in 1989, it was 102 million Swiss francs, 100 percent increase in this local trade.

### Scientific and Technological Cooperation Is Taking Shape

Alongside the continuous development of economic and trade exchange, the wish for cooperation between Xinjiang and the Soviet Union has been further strengthened. Starting from 1988, a year in which when both sides began economic and trade cooperation, the domain of scientific and technological cooperation has also been explored, and the achievements have even been greater than economic cooperation. In the past two years, both sides organized more than 50 scientific and technological delegations for frequent visits, and the contents of exchange developed from the original exchange of experts and data into joint survey, research cooperation, joint symposiums, scientific and technological exhibitions, and cooperation in editing data, etc. Scientific and technological personnel from both sides extensively developed cooperation in research on agriculture, animal husbandry, agricultural machines, metallurgy,



ore dressing, mining, geology, seismology, etc. Some projects have already earned returns.

Xinjiang exchanged selected wheat and cotton seeds with Tadzhik and Uzbek; with Kazakh, it launched an experiment on improving and growing grass on the vast desert areas. Xinjiang also exchanged the improved breed of cattle, sheep, and horse with Kazakh and Kirghiz.

Xinjiang imported from Uzbek 11 machines for planting, harvesting and handling cotton. At present, preparation for cooperation in manufacturing a machine suitable for Xinjiang's cotton fields is under way. Xinjiang will provide the Soviet Union with cotton planting machines and technology for use with agricultural sheeting. The Soviet Union gave plant promoter to Xinjiang, which gave water absorbent to the Soviet Union; both sides tried on their own farmlands and scored good result. Both sides will exchange the improved techniques for using the chemicals, and carry out joint research on active materials for agricultural use.

Xinjiang and Kazakh launched a comparative study on the ore belts in Altay Shan; Chinese and Soviet experts organized a joint scientific research team to carry out a four-month geological survey in Xinjiang, and scored some results.

Xinjiang provided the Soviet Union with 100 microcomputers which have both English and Russian. Xinjiang and Uzbek jointly run an enterprise which produces consumer materials for computers. Xinjiang also designed a factory management information system for Tadzhik, and an airport debugging indication system for Kazakh.

In addition, both sides also launched exchanges and cooperation in the fields which both are interested in, such as biochemistry, geography, seismology, nonferrous metal, physics, and language training for teachers and scientific and technological personnel, and scored some results. This summer, the delegation of the Kazakh Council of Ministers visited Xinjiang; both sides agreed to strengthen economic, trade, scientific, technological, and cultural cooperation and exchange. This is also the wish of the people in Central Asia, as well as in the whole Soviet Union.

### Northeast Asia

#### Japanese Finance Minister Plans To Visit 8 Jan

OW0501114791 Beijing in English to Western  
North America 0500 GMT 5 Jan 91

[Text] Japanese Finance Minister Ryutaro Hashimoto will visit China on Tuesday. A Japanese newspaper reported on Friday that Hashimoto Ryutaro is expected to hold talks with Chinese leaders on economic cooperation and exchanges in other fields between the two countries.

The visit is the first to be made by a Japanese cabinet member since June 1989, and Japanese public opinion believes that Sino-Japanese relations will be restored to normal through high-level visits.

#### Hebei's Song Shuhua Meets Japanese Delegation

SK0401013391 Shijiazhuang HEBEI RIBAO  
in Chinese 21 Nov 90 p 3

[By reporter Zhou Yingping (0719 3841 1627): "Song Shuhua Meets With Japanese Guests"]

[Text] To discuss matters relating to the activities marking the fifth anniversary of the establishment of friendly ties between Hebei Province and Tottori Prefecture in Japan, a six-member consultative delegation from Tottori Prefecture of Japan arrived in Shijiazhuang today. In the evening, Vice Provincial Governor Song Shuhua met with the Japanese guests. Both the host and the guests held cordial and friendly talks.

Song Shuhua said: Since the establishment of friendly ties between Hebei Province and Tottori Prefecture in 1986, both sides have unceasingly developed economic, technological, and cultural exchanges. Making good preparations for next year's fifth anniversary is very significant in promoting a broader range of exchanges and cooperation for both sides.

The Japanese guests also happily reviewed the history of developing contacts between the province and the prefecture during the past four years and more. They urged Vice Provincial Governor Song Shuhua to convey the regards which the Tottori Prefecture governor has extended to Hebei's people and to acting Governor Cheng Weigao.

### Southeast Asia & Pacific

#### Thai Foreign Affairs Committee Delegation Arrives

##### Meets NPC's Liao Hansheng

OW0301191291 Beijing XINHUA in English  
1305 GMT 3 Jan 91

[Text] Beijing, January 3 (XINHUA)—Liao Hansheng, vice-chairman of the Standing Committee of China's National People's Congress (NPC) and chairman of the NPC Foreign Affairs Committee, met with a Thai delegation here tonight.

The delegation from the Foreign Affairs Committee of the Senate of the Thai National Assembly is led by chairman of the committee Gen. Saiyut Koetphon.

After the meeting, Liao presided over a banquet hosted by the NPC Foreign Affairs Committee in honor of the Thai visitors.

The Thai delegation arrived here today on a visit to China at the invitation of the NPC Foreign Affairs Committee.

### Meets NPC's Wan Li

OW0501092191 Beijing XINHUA in English  
0816 GMT 5 Jan 90

[Text] Beijing, January 5 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress (NPC), met here today with a delegation from the foreign affairs committee of the Senate of the Thai National Assembly, headed by Chairman Saiyut Koetphon.

Extending a welcome to the Thai delegation, Wan said that the Chinese and Thai parliaments enjoy very friendly relations. The visit of the delegation has further strengthened the understanding and friendship between the NPC and the Thai National Assembly, Wan added.

He said that China is satisfied with the bilateral cooperation in the political, economic, cultural and other fields.

Wan also briefed the guests on China's domestic and foreign policies. He noted that the recent plenary session of the Chinese Communist Party Central Committee reiterated China's policy of reform and opening to the outside world and its independent foreign policy of peace.

He said that the political situation in China is stable and the economy is developing steadily. "China wants to have a good international environment and develop friendly relations with other countries on the basis of the principles of peaceful coexistence," he said.

### Near East & South Asia

#### 'Yearender' Examines 'Key' Mideast Problem

HK0701101691 Beijing RENMIN RIBAO in Chinese  
6 Jan 91 p 6

["Yearender" by staff reporter Lin Jiaoming (2651 4109 2494): "The Middle East Stalemate That Is Set Aside—Centering Around the Palestinian Issue"]

[Text] As the decade of the 1990s enters its first year, the Middle East dispute centering on the Palestinian issue is in a state of deadlock and has been set aside. While Arab-Israeli contradictions remain, all kinds of relationships have undergone reorganization. Meanwhile, the prospect of the peace process in the Middle East has become even more complicated.

In early 1990, a three-way foreign ministerial meeting among the United States, Egypt, and Israel came to a deadlock. In mid-June, Israel's Likud clique won the national elections, allowing Shamir to form a tough right-wing government. Israel refused to hold any direct or indirect peace talks with the Palestinian Liberation Organization, intensified its suppression of the Palestinian uprising, and carried out successive bloody massacres in Tel Aviv and the Holy Temple Mountain. It also threatened to annex Jordan's West Bank and Gaza Strip by continuing to expand Jewish settlement areas

there. It took in 164,000 Jewish immigrants for the entire year. Violent attacks in the Middle East also occurred in succession. As the Arab-Israeli dispute heightened, antagonism between the two sides has also sharpened.

At the same time, the U.S. House of Representatives and Senate ignored the opposition of Arab countries and formally passed a resolution recognizing Jerusalem as the capital of Israel. Large numbers of Soviet Jews moved to the Occupied Territories, adding new contradictions and obstacles to the Palestinian problem. Even more serious was the United States turning its back on the original Middle East peace plans. On 20 June, it announced suspension of the 18 month-old direct talks with the PLO. This brought the once vibrant Middle East peace process to a stop.

After the Gulf crisis broke out, the focus of contradiction in the Middle East shifted to the Gulf. As some Arab countries have pointed out, this crisis has for now relegated the Palestinian issue to a secondary position.

It has been noted that to concentrate public opinion on the Gulf issue, the United States has refused to link it with other Middle East problems, notably the Palestinian question. Even though President Bush, in his numerous speeches, could not deny the continuing existence of the Palestinian problems, he could only refer to it ambiguously, saying that the matter may only be included in the agenda after resolution of the Gulf crisis. As events developed, President Bush finally indicated his agreement in principle to convene an international conference on peace in the Middle East.

Even though the strategic alliance between the United States and Israel has not changed fundamentally, many Middle East experts including those in Israel predicted that following the detente in U.S.-USSR relations, Israel's position as a pillar in U.S. Middle East strategy will undergo changes; its declining role will gradually transform U.S.-Israel relations. In the first half of 1990, incidents including a public exchange of words between Secretary of State Baker and Shamir and the United States' deliberate playing down of Shamir's visit all showed that U.S.-Israel relations were no longer as harmonious as Shamir had imagined. In view of its own strategic needs, the United States had to give more consideration to the consolidation of the anti-Iraq alliance. Hence, it has relentlessly fostered relations with the Arab countries. President Bush met with Syria's President Assad in Geneva on 23 November last year; the U.S. Congress wrote off Egypt's debt worth \$7.1 billion; the Pentagon supplied Saudi Arabia with large amounts of arms and weapons. Even though Israel was unhappy about it, it was also helpless to do anything.

The media in the Middle East maintained that since the detente in U.S.-USSR relations, the Arab world could no longer "use old criteria to measure the Soviet Union's role in the Middle East". The decline and withdrawal of Soviet strength has forced concerned Arab states to

redefine their own relations concerning strategic equilibrium. Following such major events as the unification of Germany and the agreement reached at the European conference on security, the Arab states have generally stressed the development of relations with European countries. On Middle East issues, they have relied on the trend pointing toward growing European strength. Britain restored diplomatic relations with Syria, French President Mitterand visited the Gulf, the Magreb countries stepped up economic cooperation with the European Economic Community—all these pointed toward possible new changes in relations between Europe and the Arab states. With their more flexible stance on the Middle East issue and the PLO, the countries of Western Europe will acquire a greater say in the future.

As an entity, the Arab countries will always define the Arab-Israel dispute centering on the Palestinian issue as the primary problem in the region. While their stand on the Gulf crisis is less than unanimous, their position calling for a fair, lasting, and peaceful solution to the Palestinian issue has been in complete harmony. The people's uprising organized and led by the PLO in the occupied territories has now entered its fourth year. Facts have shown that whatever violent means it takes, Israel can not obliterate the existence of the Palestinian question. In 1990, the relentless strengthening of cooperation among the three Arab states of Egypt, Syria, and Saudi Arabia was a phenomenal change in the Arab world. Even though this combination is linked to the Gulf crisis, looking at the overall situation in the Middle East, the trend toward this development would have an important effect on future changes in the region as well as play a positive role in promoting the Middle East peace process. Judging from the current situation, after the Gulf crisis is over, the Palestinian question, as the primary issue in the Middle East peace process, will inevitably continue to receive broad attention from the international community.

As the disputes in the Middle East have always been complicated and intense, the Middle East peace process progresses amid twists and turns. The current state of the Palestinian question is a temporary one. As the people of Palestine continue their struggle, the international community will continue to support their just cause.

#### **PLA Official Attends Iraqi Army Day Fete**

OW0701083891 Beijing XINHUA in English  
0809 GMT 7 Jan 90

[Text] Beijing, January 7 (XINHUA)—Iraqi Ambassador to China Muhammad Amin al-Jaff gave a reception here today to mark the 70th anniversary of the founding of the Iraqi Armed Forces.

Lieutenant General Han Huaizhi, deputy chief of general staff of the Chinese People's Liberation Army [PLA], was among the Chinese guests. Also present were diplomatic envoys and military attaches of foreign countries to China.

#### **Article Lauds Sino-Kuwaiti Friendly Relations**

HK0601074691 Beijing RENMIN RIBAO in Chinese  
28 Dec 90 p 6

[Article by Wang Gang (3769 4854): "Friendly Relations Between China and Kuwait Develop in an Overall Way"]

[Text] Friendly and cooperation relations between China and Kuwait have been developing in all fields since the establishment of official diplomatic ties between the two countries in March 1971.

Exchanges of visits have been frequent between government leaders and high-level delegations of the two countries. The Kuwaiti National Assembly deputy speaker Yusuf and speaker (Gunaimu) [0657 1143 1191] visited China in July 1972 and March 1974 respectively. In May 1977 and August 1988, Kuwaiti Deputy Prime Minister and Foreign Minister Sabah al-Ahmad al-Jabir al-Sabah visited China as head of an Arab League delegation. The late Prince Fahd, one of the Kuwaiti Amir Jabir's brothers, visited China several times during his office as chairman of the Asian Olympic Committee and gave great help and support to China as the host of the 11th Asian Games.

Chinese leaders also paid a few visits to Kuwait. From 1970 to 1985, Ulanhu, vice chairman of the Standing Committee of the National People's Congress [NPC]; Ji Pengfei, vice premier; Wang Renzhong, vice chairman of the NPC Standing Committee; and Yao Yilin, vice premier, visited Kuwait separately. In December 1989, President Yang Shangkun paid an official goodwill visit to Kuwait; the Chinese and Kuwaiti leaders exchanged views on a wide range of issues, including the question on strengthening bilateral friendly relations and cooperation, major international and regional issues of common concern, and, in particular, the Gulf situation and the Middle East problem. President Yang expressed his appreciation of the Kuwaiti Government's wise policy and unremitting efforts to strengthen the unity of the Arab world, to support the Palestinian people in their just struggle, to safeguard peace and stability in the Gulf region, and to promote economic development of and technological cooperation among Third World countries. The president especially spoke highly of His Highness Amir Jabir's positive role in promoting unity and cooperation among Islamic states after his election as the chairman of the Organization of the Islamic Conference. Amir Jabir noted that Kuwait and China take the same stand on major international issues; that in view of the long history of Kuwaiti-Chinese friendship, Kuwait is willing to further develop its relations with China; and that there is tremendous potential and vast vistas for the two countries to promote cooperation and explore new areas of cooperation.

Based on the principle of equality and mutual benefit, the friendly and cooperative relations, especially economic cooperation and trade, between the two countries have been developing rapidly. In November 1985, China



and Kuwait signed an "Accord on Promotion and Protection of Investment;" in December 1986, the two countries initialed an accord on the establishment of a combined committee for enhancement of cooperation in the fields of economy, trade, and technology. China and Kuwait also signed a civil aviation accord, a trade agreement, a cultural exchange accord, and an economic and technological cooperation accord. Many commodities imported from China, especially textiles, foodstuffs, hardware, and light industrial products, are well received among the Kuwaiti consumers. In 1988, the volume of trade between China and Kuwait exceeded \$200 million. The two countries are also engaged in cooperation regarding the provision of labor service. By the end of 1989, there had been nearly 10,000 Chinese workers, mostly building workers, working in Kuwait. Kuwait is the only Third World country that has ever extended loans to China. The Arab Economic Development Foundation, an Kuwaiti official organization, granted China a \$3 million long-term loans at a low interest rate to finance 13 projects.

After the Iraqi invasion and occupation of Kuwait in last August, the Chinese Government has reiterated over and over again its opposition to the Iraqi invasion and annexation of Kuwait, and demanded that Iraq immediately and unconditionally withdraw its troops from Kuwait and that Kuwait's independence, sovereignty, and territorial integrity be restored and the Kuwaiti legitimate government be reinstated.

The forthcoming official goodwill visit to China by His Highness Amir Jabir al-Ahmad al-Jabir al-Sabah will forward the further development of friendly and cooperative relations between China and Kuwait.

#### Comparison—Li Peng Held Talks With Kuwait Amir

HK2812143290

Beijing RENMIN RIBAO in Chinese on 28 December carries on page 1 a 700-character report by Liu Shuiming [0491 3055 2494] on Li Peng holding talks with Kuwaiti Amir Jabir. This report has been compared with the XINHUA English version published in the 28 December China DAILY REPORT, page 9, and found to be identical except for the following variation:

Page 9, column two, paragraph one, sentence one reads: [Text] Beijing, 27 December—Premier Li Peng held formal talks with Kuwaiti Amir Jabir al-Ahmad al-Sabah in the Diaoyutai state guest house this afternoon. Li Peng pointed out that China stands for a peaceful solution to the Gulf crisis because it hopes to press Iraq to withdraw from Kuwait at the lowest possible cost. (rewording)

#### Sub-Saharan Africa

##### Qian Qichen Departs on African Tour

OW0501152791 Beijing XINHUA in English  
1511 GMT 5 Jan 91

[Text] Beijing, January 5 (XINHUA)—Chinese Foreign Minister Qian Qichen left here this evening for Addis

Ababa, capital of Ethiopia, to start his official goodwill visit to Ethiopia, Uganda, Kenya and Tanzania.

Qian is paying his visit at the invitation of his counterparts of the above four countries.

Among those present at the airport to see Qian off were Chinese Deputy Foreign Minister Yang Fuchang and diplomatic envoys of the four African countries to China.

#### Arrives in Ethiopia

OW0601085491 Beijing XINHUA in English  
0818 GMT 6 Jan 91

["Chinese Foreign Minister Arrives in Addis Ababa (by Chen Jinjun)"—XINHUA headline]

[Text] Addis Ababa, January 6 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here this morning on the first leg of a four-nation tour in east Africa.

In a written speech distributed to journalists upon his arrival, Mr. Qian said his visit to the four countries, Ethiopia, Uganda, Tanzania and Kenya, is aimed at "enhancing understanding, developing friendship and strengthening cooperation".

He said China and Ethiopia enjoy friendly relations and cooperation, and it gives him great pleasure to be in Ethiopia.

During his three-day stay here, the foreign minister said, he will exchange views with Ethiopian Foreign Minister Tesfaye Dinka on the international situation, particularly the African situation, and on bilateral relations and other questions of common concern.

He expressed the hope his current visit will contribute to the promotion of Sino-Ethiopian friendly relations and cooperation.

Mr. Qian was met at the airport by Mr. Tesfaye Dinka, who is also Ethiopian deputy prime minister.

#### Meets Ethiopian Counterpart

OW0601185991 Beijing XINHUA in English  
1836 GMT 6 Jan 91

[By Chen Jinjun]

[Text] Addis Ababa, January 6 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that without a new international political order, it is impossible to establish a new international economic order.

Mr. Qian, who arrived here this morning for a three-day visit, made the remarks during talks with his Ethiopian counterpart Tesfaye Dinka this afternoon, according to a source of the Chinese delegation led by Mr. Qian.

While stressing it is entirely necessary to establish a new international economic order, he said, a new international political order must discard hegemony and jungle law featuring in the old international political order.

The new order should be established on the basis that all countries are equal irrespective of their sizes and strength and refrain from interfering in other countries' internal affairs, he said.

The minister pointed out international affairs should be discussed by all countries and should not be the exclusive business of only one or two big powers.

He noted the countries in the South should foster cooperation and rely on their own.

On the situation in Africa, Mr. Qian said Africa is facing both economic difficulty and political pressure from some countries which try to impose a certain political pattern on the continent.

China supports Africa's effort to increase South-South cooperation and establish a new world economic order and its proposals on solving the problem of external debts, he added.

The source said Mr Tesfaye briefed the Chinese official on the political and economic situation in Ethiopia and its relations with neighboring countries.

Both sides expressed satisfaction with the current state of relations between China and Ethiopia and pledged to increase and expand their political consultations and economic cooperation.

Mr. Qian also expressed the hope Ethiopia, as an important African country, will achieve national reconciliation, improve its relations with neighboring countries and continue to play its due role in world affairs.

#### Meets Ethiopian President

OW070111691 Beijing XINHUA in English  
1049 GMT 7 Jan 90

[By Chen Jinjun]

[Text] Addis Ababa, January 7 (XINHUA)—Ethiopian President Mengistu Haile-Mariam today expressed his appreciation of China's policy of carrying out reforms, opening to the outside world and building a socialism with Chinese characteristics.

Meeting visiting Chinese Foreign Minister Qian Qichen here, the president said he supports China's effort for national stability and unity and hopes for further strengthening of the relations between Ethiopia and China.

Mr. Mengistu also said although the world is going through great changes, power politics still exists and colonialism and neo-colonialism still have considerable influence.

Mr. Qian handed over to Mr. Mengistu a message from Chinese President Yang Shangkun, in which Mr. Yang conveys his regards to Mr. Mengistu and hopes for closer ties between China and Ethiopia.

Mr. Qian told Mr. Mengistu he had good discussions with Ethiopian Foreign Minister Tesfaye Dinka yesterday and expressed the hope that political consultations between the two countries will be further increased.

#### Trade Union Delegation Begins Visit to Ethiopia

OW0601135091 Beijing XINHUA in English  
0821 GMT 6 Jan 91

["Chinese Trade Union Delegation Starts Visit to Ethiopia (by Chen Jinjun)"]—XINHUA headline]

[Text] Addis Ababa, January 6 (XINHUA)—A Chinese trade union official said here today his organization supports African trade unions in their effort to safeguard national independence and sovereignty, developing national economy and improving the life of african workers.

Upon his arrival here, Mr Li Rongguang, vice president of the All-China Federation of Trade Unions, told XINHUA his organization also backs African trade unions in their struggle for African economic integration and against apartheid.

Mr Li is leading a three-member delegation on a three-week visit to Ethiopia, Tanzania and Madagascar.

He said the visit is designed to promote the understanding and friendship between trade unions of China and the three countries and to explore ways to cement their unity under the new international situation.

The delegation is the first of its kind to visit Ethiopia since the Ethiopian revolution in 1974.

#### West Europe

#### UK's Hurd Plans To Visit, Improve Relations

OW0601024791 Beijing XINHUA Domestic Service  
in Chinese 1313 GMT 5 Jan 91

[Text] London, 4 Jan (XINHUA)—The Earl of Caithness, British minister of state for foreign affairs, said today that Foreign Secretary Hurd hopes to visit China sometime this year, and will regard the visit as an effort by the British Government to improve Sino-British relations and restore confidence in the return of Hong Kong to China.

Speaking at a meeting in Cambridge, the Earl of Caithness said: The British Government is seeking to establish better working relations with the Chinese Government. He said: This is not only because the British Government has this desire, but also because it conforms to Hong Kong's greatest interests.

He said: Britain "has always been clear about the point that Hong Kong will definitely return to China, and that Hong Kong's destiny is closely tied to China's destiny." He said that Britain will continue to maintain the cooperative relationship with China after Hong Kong's return to China in 1997.

### 'Roundup' on German Military Involvement in Gulf

OW0701121991 Beijing XINHUA in English  
1203 GMT 7 Jan 91

["Roundup: Why Germany Becomes Militarily Involved in Gulf (By Weng Zhenbao)"]—XINHUA headline]

[Text] Bonn, January 6 (XINHUA)—Eighteen fighter planes and 204 air and ground crew of Federal German Defence Forces have flown to Erhac Base in Anatolia, Turkey, to join the Italian and Belgian Air Forces to form NATO's mobile intervention forces, thus getting itself involved in the Gulf crisis.

This is the first official involvement of German troops in a crisis outside its soil since the Second World War.

As the world community have been much concerned about the developments since the reunification of Germany, Germany has been very cautious in getting involved in the Gulf crisis for fear of causing anxiety from the international community. This action was taken just at the critical time when the crisis is culminating.

Meanwhile, the German Ministry of Foreign Affairs, in an attempt to play down the meaning of military engagement, suggested that a meeting of foreign ministers of the European Community be held on the Gulf issue, underlining the possibility of preventing a Gulf war.

Germany acted together with its NATO allies—Belgium and Italy and the mobile intervention forces are stationed just within NATO's territories. Meanwhile, the German Government claimed that its fighter planes "only play a deterrent role rather than offensive." As the use of German air forces in war should be approved by the Bonn Government, it seems that the German engagement in the Gulf crisis is limited.

There are many reasons for Germany to be involved in the Gulf crisis. The German economy is closely related with the Gulf region. Its oil products imported from the Near and Middle East account for 25 percent of its total import of oil products, while the Gulf crisis has resulted in serious impact on Germany's export to this region.

It is estimated, only three months after the Gulf crisis began, the West lost 6,000 billion U.S. dollars, which led the West to the edge of economic recession and, of course, Germany is not an exception.

At the same time the Gulf crisis not only greatly influenced economic and financial stability in Eastern

Europe, but also hinders Germany from realizing its conception of future European construction.

Such a move in fact goes towards the direction of realizing Germany's "world responsibilities." Some of the German leaders repeatedly talked about such responsibilities, saying after the national elections they will engage in revising its basic law so as to send military troops to other countries or other regions outside NATO according to the U.N. resolutions.

Defence Minister Gerhard Stoltenberg then put forward the plan to establish mobile intervening forces last November.

Currently, each party wants the revision of the basic law, which needs a two-thirds majority in parliamentary votes for its approval, to benefit its own interests. So just like the many times in history, this issue has been dropped because of endless party disputes, moreover, legal debates and opposition from the people.

According to a survey published by DIE ZEIT on September 7, 1990, 53 percent of the Germans opposed a revision of the basic law for deployment of German forces in foreign countries.

The decision made by the Bonn Government on January 2 to join the NATO intervention forces was based on Germany's obligations in NATO rather than the basic law.

Deployment of German forces in the Gulf is also conducive to the alleviation of Bonn-Washington contradictions which appear less intense covered by the Gulf crisis than they actually are.

Germany held a firm stance with France in Uruguay Round of negotiations regardless of the sacrifices of U.S. farmers' interests, which led to strained German-U.S. relations.

Also, the two countries have different views and take different measures in aiding the Soviet Union. The United States is worrying about a "special relationship" between the Soviet Union and Germany out of economic interests.

Additionally, the deeper the Gulf crisis goes, the more the United States asks from Germany.

Thus, deployment of German troops in the Gulf is the only operation that will not harm bilateral interests.

German newspapers have published different views over Germany's world liability. The West German ALLGEMEINE ZEITUNG said that the German involvement in the Gulf crisis is "the worst place and the worst way" to show Germany's world liability.

The RHINE POST said that history proves that Germany as a world leader is not only a political problem, but also costly.

## Political & Social

### Lawbreakers Involved in Riots Sentenced

OW0501083991 Beijing XINHUA in English  
0802 GMT 5 Jan 91

[Text] Beijing, January 5 (XINHUA)—The Beijing Municipal Intermediate People's Court publicly announced sentences today on nine criminals, who violated laws during the turmoil and rebellion attempted to subvert the government in 1989.

Two of the nine were exempted from criminal punishment and seven others were given prison terms ranging from two to four years. More than 60 local residents were present when the court announced the judgments.

It is learned that the public security organs made great efforts to investigate into and seek evidences on the cases of the nine offenders. The procuratorial organs examined materials in the case files and evidence transferred from the public security organs and instituted public prosecutions against the offenders. The people's court held public hearings of the cases according to law.

During the hearing, the defendants made their confessions, exculpations and statements and their lawyers or relatives conducted defense on behalf of the defendants. The hearing and the occasion when the court announced judgments were also attended by relatives of some of the accused.

The court, after hearing and cross-examining evidence of the cases separately, decided that some of the accused were guilty of inciting subversion against the people's government and the overthrowing of the socialist system during the 1989 turmoil and rebellion. Some were found guilty of organizing and directing the stopping of and attacks against armed forces to enforce martial law and perform their duties of safeguarding social and public order. And others were guilty of assembling crowds to disturb public traffic and seriously undermining public order. Their actions violated the country's criminal law.

After clarifying facts of crimes, the court, following the principle of taking facts as the basis and the law as the criterion and of combining punishment with leniency and taking into consideration seriousness of the crimes, the conduct of the offenders in the past and their attitude towards and repentance for their crimes, made the following judgments according to law:

Li Yuqi and Pang Zhihong, who committed minor crimes and showed willingness of repentance, were exempted from criminal punishment; Zheng Xuguang was given a two-year term; Zhang Qianjin and Xue Jian'an were each sentenced to two years' imprisonment with a one-year deprivation of political rights; Zhang Ming, Ma Shaofang and Kong Xianfeng, three years' imprisonment with a one-year deprivation of political rights; and Wang Youcai, four years' imprisonment with a one-year deprivation of political rights.

The court also told the accused that they may, if disagreeing with the court decisions, appeal to the Higher People's Court within ten days from the next day after they received the written judgments. The term of fixed imprisonment for a criminal is to be shortened by days spent in custody before the judgment begins to be executed.

### 16 Dissidents on List for Quick Punishment

HK0501013191 Hong Kong HONGKONG STANDARD  
in English 5 Jan 91 p 1

[By Cheung Po-ling]

[Text] Beijing has drawn up a list of 16 leading dissidents to be tried and dealt with severely before next month's Spring Festival, according to Chinese sources.

The list includes student leader Wang Dan, Guo Haifeng, Chen Bo and Liu Gang, all from Beijing University.

Students from the University of Politics and Law such as Li Xinjian and Zou Yongjun, the first chairman of the unlawful Autonomous Union of Beijing University Students, are also on the list.

Half of those on the list are intellectuals.

They are university lecturer Liu Xiaobo, accountant Ren Wanding, economist Chen Ziming, writer Liu Suli, historian Bao Zunxin, magazine editor Wang Juntao, university professor Lu Jiamin and teacher Chen Xiaoping.

Bao Tong and his assistant Gao Shan, both close associates of disgraced former leader Zhao Ziyang, are also on the list.

Sources said, however, that the case of Bao and Gao was "marginal and undecided".

"The situation of Bao and Gao is still under discussion since their cases involved the role of disgraced party chief Zhao Ziyang in the counter-revolutionary rebellion which is a too-sensitive issue to deal with for the time being," said a source.

To avoid splitting the Communist Party, which still has cadres and members sympathetic to reformist policies initiated by Mr Zhao, the question of the former leader was not tackled at the recent seventh plenary session.

After the June 4 military crackdown, many dissidents were tried in secret while the alleged ringleaders have been held pending trial.

Most of the main activists have been accused of spreading counter-revolutionary propaganda, a crime punishable by a lengthy jail term.

Meanwhile, six people arrested for allegedly taking part in pro-democracy protests in a western Chinese city have been released after showing repentance, officials said yesterday.



The six were accused of participating in demonstrations in Yinchuan, the capital of the Ningxia Hui Autonomous Region.

The group included three students, a worker, a peasant and an unemployed person. It is not known what they did during the protests.

#### **Authorities Reportedly To Arrest Subversives**

*HK0601065891 Hong Kong AFP in English 0647 GMT 6 Jan 91*

[Text] Beijing, Jan 6 (AFP)—Chinese authorities have arrested and are prosecuting the leaders of a group that allegedly tried to subvert socialism with backing from Taiwan's secret service, an official report said Sunday.

The LEGAL DAILY said the organization, the "China Awakening Lion Salvation Society," was broken up in China's southwestern Yunnan province after trying to "overthrow the Communist Party leadership and socialism." The group's founders, Zhao Zhongxiang, 40, and Yang Tao, plus two alleged spies for Taiwan's secret service, Lin Weisheng and Yan Di, were arrested on November 24 and their trial is under way, the newspaper said.

They were charged with "counter-revolutionary activities," which carries a minimum five-year prison sentence, it said.

Mr. Zhao and Ms. Yang met in April 1989, when pro-democracy protests started to rock China, and "plotted to establish" their "counter-revolutionary" group, setting up branches in Kunming, Yunnan's capital, and in Shanghai, it said.

"In September of the same year, they drew up a plan of action and, in search of backers and funding, left China and went to seek assistance from organs of Taiwan's Kuomintang (KMT) secret service," the paper said.

It said they "volunteered a lot of information on China's politics and military" to the Taiwan secret service before slipping back into the mainland with Taiwan-supplied equipment and money in October 1990.

"They waited and looked for an opportunity to return to Shanghai and Kunming and other places to establish other branches, recruit members and publish materials," the paper added.

#### **Former Railways Official Given Stay of Execution**

*HK0701081691 Hong Kong HSIN WAN PAO in Chinese 7 Jan 91 p 4*

["Special dispatch": "Xu Jun, Director of the Transport Bureau of the Ministry of Railways, Was Given Stay of Execution This Morning for Accepting Bribes"]

[Text] Beijing, 7 Jan (HSIN WAN PAO)—Beijing Municipal Higher People's Court held a hearing this morning on the bribery case involving former director of

the Transport Bureau of the Ministry of Railways Xu Jun, condemning him to death with a two-year reprieve.

Xu Jun had appealed to the higher court against the judgment by Beijing Municipal Intermediate Court at the first hearing. It turned out that the higher court upheld the judgment of the intermediate court.

Xu Jun was the principal character in the bribery case involving Minister of Railways Luo Yunguang that had caused a sensation throughout the country. Vice director of Zhengzhou City Railway Administration Pan Keming [3382 0344 2494], who was closely associated with this case, was also sentenced to death with a reprieve the other day. It is learned that the procuratorate exempted Luo Yunguang from prosecution the other day.

#### **Jiang Zemin, Qiao Shi Attend Beijing Opera**

*OW0701120991 Shanghai City Service in Mandarin 2300 GMT 5 Jan 91*

[By station reporter Qin Lailai; from the "Morning News" program]

[Excerpts] Shanghai performers presented a Beijing opera, "Legend of the White Snake," at Zhongnanhai yesterday and won praise from leading comrades of the CPC Central Committee. [passage omitted]

Jiang Zemin, Qiao Shi, Li Ruihuan, Song Renqiong, Chen Pixian, and other leading comrades attended the performance last night. They warmly congratulated the freshman opera performers for their successful performance and had a group photo taken with them to mark the occasion.

#### **Li Ruihuan at Enterprise Political Work Forum**

*OW0501151691 Beijing XINHUA Domestic Service in Chinese 1004 GMT 5 Jan 90*

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporter Wang Yanbin (3769 6066 175)]

[Text] Beijing, 5 Jan (XINHUA)—At a meeting on ideological and political work in village and township enterprises throughout the country, held in the Great Hall of the People today, 102 advanced units in ideological and political work in village and township enterprises throughout the country were jointly commended by the Propaganda Department of the CPC Central Committee and the Ministry of Agriculture. Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee; State Councillor Chen Junsheng; Wang Renzhi, director of the Propaganda Department; Liu Zhongyi, minister of agriculture; and others attended the meeting and presented awards to the representatives of the advanced units.

The meeting was chaired by Xu Weicheng, executive deputy director of the Propaganda Department. Vice Minister of Agriculture Chen Yaobang addressed the



meeting. After recalling the major achievements in developing village and township enterprises, he pointed out: These achievements could not have been made if the party had not strengthened ideological and political work in village and township enterprises, because ideological and political work ensured their sustained and sound development. Under the leadership of party committees and governments in various localities, the departments in charge of village and township enterprises, working in coordination with propaganda departments, directed village and township enterprises to build material and spiritual civilizations simultaneously and to stress ideological and political work in all sectors of economic work. As a result, gratifying achievements were made in ensuring the implementation of the party's line, principles, and policies in rural areas; in enhancing the enthusiasm of cadres, staff members, and workers; in increasing peasants' confidence in developing village and township enterprises; in enhancing peasants' awareness of reform and opening to the outside world and of a commodity economy; in improving the quality of staff members and workers; in bringing up a new type of peasant; in promoting rural construction; in consolidating the socialist countryside; in stabilizing the countryside, society, and the general situation; in ensuring that village and township enterprises develop soundly along the socialist road, the development of which has played an important role in stimulating the steady growth of the rural economy and the national economy as a whole.

The meeting, held jointly for the first time by the Propaganda Department of the CPC Central Committee and the Ministry of Agriculture, will sum up and exchange experiences in ideological and political work in village and township enterprises in accordance with the guidelines of the fourth, fifth, sixth, and seventh Plenary Sessions of the 13th CPC Central Committee and study and draw up measures for further strengthening party ideological and political work in village and township enterprises, in order to ensure the implementation of the party's basic line; further promote the sustained, steady, coordinated, and sound development of village and township enterprises; bring up a new generation of new peasants; and constantly encourage and stimulate the countryside to build material and spiritual civilizations simultaneously.

Liu Zhongyi also spoke at the meeting.

#### **Li Tieying Holds Honorary Athletic Committee Post**

OW0701021391 Beijing XINHUA Domestic Service  
in Chinese 1322 GMT 6 Jan 91

[By reporters Cai Junqing (5591 0689 3237) and Du Xin (2629 2450)]

[Excerpts] Nanning, 6 Jan (XINHUA)—The organizing committee of the Fourth National Traditional Athletic Meeting of Minority Nationalities was formed in Nanning today. Li Tieying, member of the Political Bureau

of the CPC Central Committee and State Councillor, serves as its honorary chairman; and Cheng Kejie, chairman of the Guangxi Zhuang Autonomous Regional People's Government, is its chairman.

The Fourth National Traditional Athletic Meeting of Minority Nationalities will be held in Nanning in mid-November this year. [passage omitted]

The vice chairmen of the organizing committee are Wu Jinghua, Li Menghua, Xu Yinsheng, Liu Jibin, Gao Zhanxiang, Lin Liyun, Ding Tingmo, Li Zhenqian, Zhao Zhihong, Zhang Shengzhen, Li Licheng, Yang Jichang, Yin Haishan, Qiu Yucai, Yu Dajia, Zhang Faqiang, and Xie Ruxuan. [passage omitted]

#### **Zou Jiahua Inspects TV Picture Tube Plant**

OW0501115591 Shanghai City Service in Mandarin  
2300 GMT 3 Jan 91

[From the "Morning News" program]

[Text] Zou Jiahua, state councillor and minister of the State Planning Commission, accompanied by Huang Ju, executive vice mayor of Shanghai, inspected the Shanghai Yongxing Color Picture Tube Limited Company and Shanghai Picture Tube Glass Plant on the morning of 3 January.

Comrade Zou Jiahua closely inspected the main production lines at the two enterprises and inquired in detail after the efficiency of producing the color picture tubes and television (word indistinct) as well as on the use of domestic raw materials in production.

#### **Deng Lique on Ideological, Political Workers**

HK0701050991 Beijing RENMIN RIBAO in Chinese  
31 Dec 90 p 5

[Article by Deng Lique: "Ideological and Political Workers Should Become 'Four-Have' Leaders: Preface to 'A Series of Books on Ideological and Political Work in the New Period'"]

[Text] The proletariat is our country's leading class, and the main force in the great undertaking in building socialism with Chinese characteristics. To train staff into new socialist persons who have aspiration, morality, culture, and discipline is an honorable duty with strategic importance. This task must be done by the party and management cadres of enterprises, by party members, and by ideological and political workers.

Since the 13th CPC Central Committee's Fourth Plenary Session, under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as the core, and after summing up and reflecting on the experiences and lessons we learned from last year's political storm, we have adopted a series of effective measures to strengthen and improve ideological and political work, to change the situation in which ideological and political work has been weakened over the years, and to bring about a new

development to the ideological and political front. Through education on the party's basic line and on upholding the four cardinal principles and opposing bourgeois liberalization, some effective systems and methods for carrying out ideological and political work have been restored and improved, the ideological and political work contingent has been strengthened, and political work cadres have enhanced vigor. They work very hard, while the conditions for carrying out ideological and political work have been better. At the same time, we should also perceive that there are many difficulties and obstacles in front of us as we advance. The antagonistic forces abroad are stepping up their efforts to use the strategy of peaceful evolution against our country, in an attempt to overthrow our party's leadership and to subvert our socialist system; the influence of bourgeois liberalization still has to be eliminated; it is still an arduous task to carry on the struggle against various corrupt phenomena and other ugly phenomena; in economic work, the urgent problems of poor economic returns, a sluggish market, and an increasing number of enterprises that have stopped production or operated on half capacity are not yet solved. Under these grim conditions, ideological and political work have a more important duty, and are more difficult to do, while people have expected more from them. The CPC Central Committee has created good conditions for us to do ideological and political work, and has realised explicit demands. Now, an important problem is that we must earnestly improve the political quality and professional standard of ideological and political workers themselves. The party and government cadres among enterprises and ideological and political workers must first really become the "four-have" leaders.

To be able to accomplish this, we should start work from four aspects. First, we must rely on collectives. Within socialist enterprises, administrative leadership is to practice factory manager responsibility system; party leadership is to practice democratic centralization. These two systems follow different principles. At party committee meetings, we must observe the principle of the minority obeying the majority, and the party secretary must obey collective decisions; if the factory manager is a party member, or a party committee member, he must also obey collective decisions. The factory manager, as a legal personality, represents the enterprise, and he has a central position in the domain of production, construction, operation, management, and technological exploration, but he does not make every decision. The more modern the enterprise becomes, and the more developed the technology, the more heavy the workload will be, and the more complicated the internal and external relations will be; therefore, the factory manager himself cannot make all the correct decisions. Therefore, production itself demands reliance on the collective, and by gathering every piece of wisdom, ideas can be developed, and good judgments and the best decisions can be made. Ideological and political work among enterprises should be done well under the collective leadership of the party

committee, by coordinating various forces from the party, the government, the communist youth league, and the workers.

Second, we must rely on party organs. Ideological and political workers must improve party spirit and work according to the party's principles; however, ideological and political work among enterprises cannot be done well only by relying on a small number of professional persons; it must rely on party organs and all of the party members.

Third, we must rely on the proletariat. The staff are the masters of enterprises; a principle that must always be upheld on whatever occasion and at any moment by ideological and political workers, enterprise party organs, and administrative leadership, is that the staff must be respected as the masters of enterprises, and that their role as masters must be brought into full play. The staff and the masses are not only the object for ideological and political work, but are the main force of ideological and political work. Ideological and political work among enterprises is the work in self-education for enterprise staff.

Fourth, we must rely on the masses of people. Ideological and political work is mass work; it is work that aims at the masses and relies on the mass of progress. Ideological and political workers in enterprises live among the masses, breathe the same air the great masses breathe, have the same fate with them, become their intimate friends, as well as the models of unity with them.

Ideological and political work is to use the basic theory of Marxism-Leninism and Mao Zedong Thought, and the party's basic line, policy, and principle to carry out propaganda among the masses and arm them; and to use various methods and means to inculcate the advanced political spirit in the staff and the masses. The people to carry out education must first be educated, and first learn Marxism. Only when you know Marxism can you help others to know Marxism, and use the stand, viewpoint, and method of Marxism to solve the ideological problem for the masses. Ideological and political work should be persuasive, not just by the force of truth, but also by the strength of character. The truth is very persuasive and, at the same time, the preacher of the truth should also be the practitioner of the truth; he must be selfless, dedicated, fearless, adventurous, courageous, and innovative. If an ideological and political worker talks about plain-living and hard work, but pursues secular and lowly enjoyment, he will lose the strength of character, and he will be stripped of his right to speak among the staff; even if the thing you say is very correct, people will not believe you, and you cannot play a positive function but a negative one. At present, within some enterprises, ideological and political work can be done well, and one of the important reasons is that the cadres can do what they say; within some enterprises, ideological and political work cannot be done well, and one of the important reasons is that the cadres cannot do what they say.

Our party has an outstanding tradition in ideological and political work, as well as rich experience. The great masses of ideological and political workers have their own practical experiences. These experiences are very precious treasures, and should be summed up and upgraded as theory. In recent years, led and promoted by the Society for the Study of Workers' Ideological and Political Work, the great masses of theoretical workers and field workers actively explored the characteristics and laws of our country's socialist ideological and political work, and scored numerous valuable results from research. "A Series of Books on Ideological and Political Work in the New Period," which is organized by the Society for the Study of Workers' Ideological and Political Work, has gathered the outstanding results of theoretical research. I believe that on the premise of sustained, stable, and coordinated development of socialist economic construction, and alongside the further strengthening of the party's ideological and political work and the deepening of theoretical study, more research results of a higher standard will emerge. ("A Series of Books on Ideological and Political Work in the New Period" has been published by Unity Publishing House)

#### Yuan Mu on Economic, Political Situation

OW0601173491 Beijing Central Television Program  
One Network in Mandarin 1150 GMT 6 Jan 91

["Special: Comrade Yuan Mu's Interview with 'Observation and Reflection' Reporter"—date, place not given; live or recorded]

[Text] [Reporter] Comrade Yuan Mu, New Year's Day just passed and a new year started. Today, I would first like to ask you to give a brief evaluation of our country's political and economic situation in the past year.

[Yuan] Before answering your question, I would like, in the name of the State Council, to extend warm New Year's greetings to the vast number of viewers, comrades, and friends. Looking back, the development of the situation in the past year was, in my opinion, very good—beyond the expectations of myself and many others. Economically, noticeable achievements were scored in economic improvement and rectification; politically, the situation of stability and unity was further consolidated; and diplomatically, we made a lot of progress and breakthroughs during the year. All these show that China today is stable politically, economically, and socially. This is the wish of the overwhelming majority of people.

Here I would like to say a few words about what kind of conclusion we can draw from the development of the situation and compare notes with you. [Both of them laugh.] My opinions are as follows: First, the development of the situation in the past year shows, in spite of the misgivings among our people as a result of the situation at home and abroad and as far as the overwhelming majority of party members and the overwhelming majority of people are concerned, that people

have faith in party leadership and socialism. Without this basic fact, the situation in China, I believe, would not been able to develop that fast. Second, development of the situation in the past year also serves as proof that China's policy of reform and opening up in the past decade is correct; it yielded marked results and brought about tangible benefits to the people. Therefore, this is why I believe there is no basis for turmoil in our society. Third, it is about the rather radical changes in the international situation that began in the second half of last year. These changes, on one hand, have had some negative impact domestically and they constitute a severe challenge to us. There is also a positive side to it—that is, our people made a comparison with the changes in the international situation and they have become even more aware of the overriding importance of maintaining China's social stability. This has become the will of the people. This is very important. Fourth, development of the situation in the past year shows the new leadership collective elected at the Fourth Plenary Session of the 13th CPC Central Committee with Comrade Jiang Zemin at its core has the complicated situation at home and abroad well in hand and can lead us in our march forward. Let me put it this way—during the year we were faced with pressure from abroad and difficulties at home. It was an especially difficult period. I am not sure it is safe to say that we have basically passed that period, but certainly this viewpoint is still debatable. In a nutshell, the party Central Committee's prestige is, I believe, gradually rising.

[Reporter] How would you predict this year's economic situation?

[Yuan] My prediction for this year's economic situation will be cautious or, I should say, conditional optimism. Last year, economic improvement and rectification brought inflation under control; a bumper harvest was reaped in agriculture; and industrial production gradually picked up after a dip. The situation gradually took a turn for the better; however, there are still quite a few economic difficulties. Under such circumstances, it is necessary to discuss both positive and negative factors to predict this year's economic situation. The favorable conditions can be summarized in the following aspects: First of all, with the bumper agricultural harvest, both per-unit and total yields of grain exceeded the all-time-high figures by a fairly big margin. Judging from previous experience, a bumper agricultural harvest will usually usher in a better situation in the economy as a whole in the coming year.

[Reporter, nodding] When there is grain, there is stability.

[Yuan] Second, as is known to all, the originally tense situation in basic industries such as energy, transportation, and raw and semi-finished materials was gradually alleviated. As far as the market is concerned, although it is not in an excellent shape, it has begun to recover. The scope of recovery varies from one locality to another. Overall, the market is in the process of recovery, and a change for the better has begun. If this continues, I



believe the situation this year will further improve along with economic improvement and rectification, and people will be more optimistic mentally than they were last year. These are the favorable conditions that we should acknowledge.

Meanwhile, we should not hide difficulties from the people. There are indeed negative aspects in our economy, which still experiences some difficulties. They are mainly reflected in the following: First, the pace of industrial and market recovery has been very uneven in different localities. Some recovered at a faster pace, while others at a slower pace, and still others have not shown any sign of recovery, thus impeding the development of production. Second, the economic efficiency of enterprises and society as a whole recently declined. Although it began to improve last October, the improvement is not tangible. Therefore, the declining economic efficiency affected the development of the national economy. This is a major constraint. Third, state finances are strained by difficulties caused by the aforesaid two unfavorable factors. Presently, both the central and local governments are experiencing financial strain. Cautious optimism means that we should neither relax our efforts in view of the favorable conditions nor be frustrated by the economic difficulties confronting us. At any rate, we should utilize the favorable factors, overcome the difficulties, and make determined efforts to readjust the structure and improve economic efficiency.

[Reporter] You have time and again mentioned economic improvement and rectification. Would you please tell us what the relationship is between economic improvement and rectification on the one hand and the deepening of reforms on the other?

[Yuan] I believe this is not only a question of interest to you, but also a focus of attention by viewers all over the country. Some people alleged that reforms were somewhat stopped during the recent economic improvement and rectification.

[Reporter, nodding approval] Indeed.

[Yuan] I believe that this allegation cannot be substantiated.

[Reporter] Then what is your view?

[Yuan] In my opinion, reforms continued even after economic improvement and rectification was launched, especially during the last year. The following are some examples for your reference. First and foremost, one of the major achievements of rural reform was the introduction of the responsibility system with household contracts linking output to payment as the main form. We also set up and improved the dual management system that combines households with collective operations. These achievements of reform played an important role in stimulating rural economic development. The central authorities repeatedly stated that these policies will remain unchanged, be maintained, and improved continuously. These are the big events in the countryside.

In cities, the contracting of enterprises is continued, while reform of the irrational pricing system, or distorted prices, remains a focus of economic structural reform. Although last year saw the greatest number of measures taken to reform the pricing system and readjust prices, these measures did not lead to excessive price increases because the contradictions between total supply and demand in the overall economic situation were already alleviated. On the contrary, the rising trend slowed down. Therefore, as far as reform is concerned, pricing reform did not stop, but took a giant step forward last year. Prices of grain, cotton, sugar-bearing crops, and other farm products were readjusted; and so were prices of coal and manufactured goods, as well as rail, air, and highway transportation fees. Besides, a readjustment of postage, which had long been under discussion, was also made last year. The price readjustment has so far been the biggest both in terms of scope and the number of areas involved.

[Reporter] How is economic improvement and rectification related to the eighth five-year plan?

[Yuan, laughing] Aha, you always ask me difficult questions!

[Reporter, giggling] You should be the expert.

[Yuan] I believe that economic improvement and rectification should be carried out in accordance with the decision of the Fifth Plenary Session of the 13th CPC Central Committee. The six targets of economic improvement and rectification should be completed within three years or more according to the decision. So far, better results have been achieved in the efforts to fulfill the targets in some areas, such as curbing inflation. Progress has been slow in other areas, however, such as balancing state finances, and no progress has been made at all in still other areas. Therefore, economic improvement and rectification is not over yet and the tasks remain arduous. It should be continued this year, 1991, or even until some time in 1992. We should not waver on this question; otherwise, it will affect the fulfillment of economic improvement and rectification targets. In the process of doing so, however, does it mean that the Eighth Five-Year Plan will be shelved? Of course not. We should seek advances while improving the economic environment and rectifying economic order. In other words, there should be a period during which we improve the economic environment and rectify economic order on the one hand and carry out the Eighth Five-Year Plan on the other. After the period and targets of economic improvement and rectification are basically completed, I reckon there may still be some unfinished tasks. At that time, we will shift the focus of work to development.

[Reporter] I learned that you attended the just-concluded Seventh Plenary Session of the 13th CPC Central Committee as an observer. What are your impressions of the plenary session?

[Yuan] The proposals of the CPC Central Committee for drawing up the 10-Year Program and the Eighth Five-Year Plan, which were adopted by the plenary session, have once again confirmed, in explicit terms, the main objectives to be achieved in the last decade of this century. To be succinct, the gross national product of 1980 will be quadrupled by the end of this century; and the people's living standard will improve from just having enough to eat and wear to a stage of leading a fairly comfortable life. In other words, the quality of life will further improve and the people will live and work in peace and contentment and have ample food and clothing. Naturally, because economic development is uneven in the country, some regions will be ahead of others in leading a fairly comfortable life....

[Reporter, interrupting] This is unavoidable in the course of development.

[Yuan] Yes, it is unavoidable. But, overall, the people will lead a fairly comfortable life. This objective, which I believe is not a dream, is both attainable and arduous. Why is it arduous? To achieve this objective, we must roughly maintain an average annual economic growth of six percent for the next 10 years. You may feel that this task is not an arduous one because the figure is lower than the one achieved in the preceding decade; however, two factors must be taken into account. First, the base figure has become bigger. The absolute value of every one percentage point of economic growth in the next decade is larger than that in the preceding decade. Hence, it will more difficult to increase economic growth by one percentage point in the coming decade. Second, as we have especially emphasized, the six-percent growth rate should be achieved on the basis of improving economic efficiency and optimizing the economic structure. This is an important requirement for further improving our economic work. In this way, the demand on quality will be strict and speed will be stable without major fluctuations. The task is rather difficult. Therefore, I believe that the task is attainable and requires joint efforts to carry it out. After the task is completed, our comprehensive national economic strength will be strengthened considerably and the people's livelihood be improved by the end of this century. This is the first point of my impression of the plenary session.

The second point is that I strongly feel that we now have a clearer picture of the most fundamental guarantee stressed by the central authorities on realizing our objectives—namely, to continue implementing further in concrete measures and enriching and developing the line, principles, and policies of building socialism with Chinese characteristics. The last decade showed that the line drawn gradually and the series of effective principles and policies formulated by the central authorities during that period have been proved correct through experimentation. Now with the passage of time and changing conditions, we will further implement, enrich, and develop them. Then, what is the principle for implementation, enrichment, and development? I would say that we need to earnestly sum up past experiences and draw lessons;

we should persist in a correct manner on that basis, improve on shortcomings, and rectify past mistakes. If we follow this principle and bring about the implementation of the line, principles, and policies, I believe that the objective of quadrupling China's GNP will be ensured.

The third point that I believe to be very important and about which I have a deep personal understanding, is that this plenary session emphasized especially the most crucial need to persist unwaveringly in reform and opening to the outside world and in implementing the line, principles, and policies of building socialism with Chinese characteristics. I think you [referring to reporter] too have benefited from reform and opening. Chinese people have reaped in general real benefits from the reform and opening in the last 10 years.

[Reporter] It goes without saying.

[Yuan] Practice has shown that the reform and opening policies, which have effectively promoted economic and social development and brought real benefits to the people, have achieved results. There is absolutely no reason to change nor should there be any change to the basic principle and policies. If there is any change, it should only be made regarding improving specific policies and implementation measures and in taking concrete measures to make reform and opening more effective. It is only in this way that we can grasp the most crucial point.

[Reporter] That is to say maintaining the general direction.

[Yuan] On this point and from the economic point of view, the most important thing is to uphold unwaveringly the principle of long-term, sustained, and coordinated development.

[Reporter] What are your views on housing reform?

[Yuan] The Seventh Plenary Session of the 13th CPC Central Committee, which I attended as an observer, discussed the issue of improving the people's livelihood in the next decade. One thing particularly emphasized at the meeting was that we will make great efforts in the next decade to improve the people's living conditions. This is the question you are concerned about.

[Reporter] Right. Many viewers also are concerned about it.

[Yuan] Many people will be glad to hear this news. In this regard, of course, we should make the necessary investment to build housing. There is no question about it. In the rural areas, farmers themselves will make investments in building houses. It is necessary to make investments to build houses in the urban areas. The practice of the state taking over every thing—that is, the state's investment in housing construction and distribution, which is how it has been done the last several

decades since the founding of the Republic—seems to have reached a blind alley and affected our operation and vitality.

[Reporter] The time has come for a change?

[Yuan] Now we should promote investment by the state, enterprises, and individuals to jointly step up housing construction. To do that, we must reform the housing system. As far as I know, many cities in the country now are gradually reforming the housing system; their reform measures are different and have different characteristics. It is still difficult to say which reform measure is the best. Notwithstanding the adopted reform measures, all areas that have promoted experiments on housing reform have achieved good results.

[Reporter] Enterprises producing poor-quality and unsalable products should be closed down, production stopped, and they should be merged with other enterprises or switch to other lines of production. For some reason, however, the various localities have not complied. What actions does the State Council intend to take in this regard?

[Yuan] It is an injustice somewhat to say that the various localities have not complied with the State Council's decision. As I see it, the main thing is that China is faced with two difficult choices. On the one hand, enterprises which show poor economic results, operate in the red, or are seriously in debt are not supposed to continue.

[Reporter] They should be closed down and declare bankruptcy.

[Yuan] They should switch to other lines of production or merge with other enterprises. Other actions may be taken against them. These are the "closedown, production stoppage, merger, and transfer" that you mentioned just now. But you should also keep one thing in mind.

[Reporter] Social stability.

[Yuan] Social stability. If too many enterprises are subjected to "closedown, production stoppage, merger, and transfer," many people will be out of work and the stability of the society as a whole will be affected. Now we are emphasizing the need to form enterprise groups. Of course, this does not mean asking good enterprises to shoulder the burden of poorly managed ones. There will be associations of strong enterprises with other equally strong ones, or with weaker ones. The main purpose is to enable enterprises to better allocate the elements of production, arrange a more reasonable layout for production, and more effectively organize production. This also may help to ease the existing problems resulting from poor management of deficit-ridden enterprises. So, we cannot rely completely on "closedown, production stoppage, merger, and transfer," but also take other measures to ease this contradiction.

[Reporter] Some localities with better conditions, like the Beijing suburban areas, have begun to implement the system of farming of the land on an appropriate scale.

Following the announcement of this system, some localities have expressed misgivings. They fear that it might affect the household responsibility system of linking remuneration to output. Will this policy remain unchanged?

[Yuan] You have raised another very important question that affects the 800 million peasants in the vast countryside. The central leading comrades have reiterated it on many occasions, but I would like to solemnly say it again here in the capacity of State Council spokesman. I would like to convey a piece of information, through you, to the broad masses of viewers, especially the peasants and other comrades. One very big achievement in rural reform in the past 10 years, as I just mentioned, is the implementation of the household responsibility system of linking remuneration to output. This system of combining unified with decentralized management helps develop the advantages of the collective economy and arouses the enthusiasm of peasants in household operations. This measure is suitable to the present level of development of the productive force in China's countryside. Therefore, it should be regarded as a fundamental system that will remain for a long time, and not just for the time being. I believe that all measures that are not so appropriate should be perfected on this basis.

You just mentioned that some localities are implementing the system of farming the land on an appropriate scale. This does not mean that only those places with the necessary conditions should implement this system. I do not think you mean that. Under the premise that the household responsibility system of linking remuneration to output will remain unchanged, we also encourage the establishment of more socialized services to serve peasants in rural areas. What does this mean? This means that some aspects of farming cannot be undertaken by peasant households individually, including crop protection, seed improvement, control of insect pests over large tracts of land, combined efforts to repair irrigation works, and so on. It is very difficult to do these things on a household basis. For instance, you cannot separate a ditch into sections. Therefore, there is a need for integrated socialized services before, during, and after the farming season for the convenience of the peasants. This is one aspect.

The other aspect is that, in places with the necessary conditions, we can promote the development of village and town enterprises, as well as collective economy. This also is what we need to do because it has economic significance, and also is very important to consolidating grass-roots governments.

As for the fairly large-scale operation that you have just mentioned, it is practiced only in localities where the necessary conditions exist. It may be continued because it has had very good results. The central authorities' policy is for any localities with the necessary conditions to undertake such an operation; however, there are two very important points. One is that it must be undertaken by peasants on a voluntary basis, and no one should compel them to do it. In



the past, we made mistakes of coercion and commandism over similar issues, and we have drawn a very important lesson. The other is that we must not adopt the method of equalitarianism and the indiscriminate transfer of resources in undertaking this fairly large-scale operation. Equalitarianism and the indiscriminate transfer of resources will dampen the peasants' enthusiasm. I may add another point: Doing things according to local conditions. In my view, if we explain these things to the peasants, they will be greatly reassured and keep their mind on agricultural production.

[Reporter] When our country enters into the period of repaying foreign debts, will the repayment affect our economy and the people's living standards?

[Yuan] I cannot say that there will be no effect at all. When the repayment reaches a peak, we will have to spend a great deal of our foreign exchange earnings for this. That, naturally, will have some slight effects on our domestic construction; however, I can reveal a fact to you. After the 4 June event in 1989, our foreign exchange reserve dwindled quite drastically. I hate to mention that date and hope that we will put it behind us gradually. After a period in which we improved the economic environment and rectified the economic order, particularly after a year of efforts last year, we achieved a net increase of \$10 billion in foreign exchange reserves. Here I will not disclose the total foreign exchange reserves in our hands. I do not know if you have the experience or not—the more money you have, the more other people are willing to lend you money, and vice versa. Perhaps this is a law. So, I do not believe that the repayment of foreign debts will create big problems. In short, I am an optimist. I believe that if the people across our country work hard together, it is completely possible that we will have even a better situation this year than last year. I am full of confidence. What about you?

[Reporter] Me, too. Thank you very much for the interview.

#### **Administrative Division Readjustment Completed**

OW2912053690 Beijing XINHUA Domestic Service  
in Chinese 0946 GMT 28 Dec 90

[By reporter Chen Yan (7115 7159)]

[Text] Beijing, 28 Dec (XINHUA)—This reporter has learned from a press briefing given by the Ministry of Civil Affairs today that China has set up 17 new county-level cities and two nationality autonomous counties, and abolished 10 and established 17 new districts directly under city governments in 1990. The number of newly established cities is generally the same as last year, and the "rush to set up cities" has been basically brought under control. The task to establish minority nationality autonomous regions in the administrative division of the Chinese mainland has also been basically completed.

So far, China has 467 cities—including three municipalities directly under the central government, 185 prefectural-level cities, and 279 county-level cities—and 651

districts directly under city governments, a total of three more than at the end of 1989. In addition to the five autonomous regions for minority nationalities, the country has 30 autonomous prefectures, 121 autonomous counties, and three autonomous banners. At present, there are 589 autonomous counties and banners and counties and banners under the jurisdiction of the five autonomous regions, which account for 31 percent of the total number of counties in the country. The area of autonomous regions for minority nationalities consists of 64.5 percent of the total area of China, and 90 percent of minority nationalities live in the autonomous regions.

According to ministry spokesman Wang Qingzheng, China has taken new strides in surveying and delimiting the administrative boundaries between provinces in 1990. With the approval of the State Council, a three-year project to survey six provincial boundary lines at selected points, with a total length of 5,000 km, was launched last year. Meanwhile, a comprehensive project to survey the boundary lines in Xinjiang has been carried out. As of the end of last November, 3,500 km, or 70 percent, of the 5,000 km boundary lines had been delimited through consultations, while 90 percent of the boundary surveying project in Xinjiang also has been completed.

Wang Qingzheng said: The future direction to delineate China's administrative division is to control strictly the scale of large cities, rationally develop medium and small cities, and build new towns and townships which will be supported by village and township enterprises and have convenient transportation and indigenous characteristics. He specifically mentioned the strategic direction for establishing cities in the future: On the basis of rationally developing large and medium cities, small cities will be built in the eastern region; emphasis will be laid on developing medium cities while constructing some small cities in the central region; and efforts will be made to assist the development of places with the framework to become cities in the western region.

According to the briefing, next year's administrative division work will be focused on maintaining relative stability and stepping up strategic studies. Meanwhile, the ministry will forecast and plan for the establishment of cities across the country, revise the standards for establishing cities, and improve the examining and approving procedures for changing the administrative division.

#### **Administrative Division Changes Noted**

OW2912110090 Beijing XINHUA Domestic Service  
in Chinese 1236 GMT 28 Dec 90

[Text] Beijing, 28 Dec (XINHUA)—The 1990 nationwide changes in administrative divisions at county level and above are as follows:

Approved by the State Council, the main changes in the 1990 administrative divisions at county level and above are as follows:

Newly established cities with county status—17; autonomous counties established—two; districts under the jurisdiction of cities established—13; districts under the jurisdiction of cities abolished—10; merge of city with county—one; change of name of administrative division—one; and relocation of seat of county people's governments—two.

As of the end of 1990, China has 31 administrative units at the provincial level, 151 administrative units at the prefectural level, 185 cities with prefectural status, 190 administrative units at county level, 279 cities with county status, and 651 districts under the jurisdiction of cities.

Compared with 1989, there is an increase of 17 cities with county status, two autonomous counties, and three districts under the jurisdiction of cities while the number of counties decreased by 18.

The detailed changes are as follows:

#### 1. Changes in classification:

(a) The 17 newly established cities with county status are:

Hebei Province: Bazhou City (former Ba County), Hejian City;

Inner Mongolia Autonomous Region: Fengzhen City;

Jilin Province: Yushu City;

Jiangsu Province: Xinyi City, Liyang City;

Zhejiang Province: Longquan City;

Fujian Province: Zhangping City, Fuqing City;

Jiangxi Province: Dexing City;

Shandong Province: Jiaonan City, Laixi City;

Henan Province: Wugang City;

Hubei Province: Huangzhou City (former Huanggang County);

Hunan Province: Shaoshan City;

Guizhou Province: Chishui City;

Shaanxi Province: Huayin City.

(b) The two autonomous counties established are:

Guangxi Zhuang Autonomous Region: Gongcheng Yao Autonomous County;

Yunnan Province: Zhenyuan Yi-Hani-Lahu Autonomous County.

(c) Readjustment of districts under the jurisdiction of cities:

Zhejiang Province: abolished Hangzhou City's Gongshu District and Banshan District and merged into a newly established Gongshu District.

Anhui Province: abolished Wuhu City's Yuxikou District, Siheshan District, and Jiao District; established Jiujiang District.

Guangdong Province: established Futian District, Luohu District, and Nanshan District in Shenzhen City.

Hainan Province: established Zhendong District, Xinhua District, and Xiuying District in Haikou City.

Sichuan Province: abolished Chengdu City's Dongcheng District, Xicheng District, and Jinniu District; after readjustment, established Jinjiang District, Qingyang District, Jinniu District, Wuhou District, and Chenghua district.

(d) Other readjustments:

Henan Province: Jiaozuo City's Jiao District renamed Shanyang District.

Hunan Province: relocated the seat of the Zixing City People's Government from Xingning Town to Tangdong.

Guizhou Province: abolished Anshun City and Anshun County and merged into a newly established Anshun City.

Tibet Autonomous Region: relocated the seat of the Zhongba County People's Government from Zhadun to Tuoji.

#### 2. Changes within provinces:

Hebei Province:

(a) abolished Ba County and established Bazhou City (county level).

(b) abolished Hejian County and established Hejian City (county level).

Inner Mongolia Autonomous Region: abolished Fengzhen County and established Fengzhen City (county level).

Jilin Province: abolished Yushu County and established Yushu City (county level).

Jiangsu Province:

(a) abolished Xinyi County and established Xinyi City (county level).

(b) abolished Liyang County and established Liyang City (county level).

Zhejiang Province:

(a) abolished Longquan County and established Longquan City (county level).

(b) abolished Hangzhou City's Gongshu District and Banshan District and merged into a newly established Gongshu District.

Anhui Province: abolished Wuhu City's Yuxikou District, Siheshan District, and Jiao District and established Jiujiang District.

Fujian Province:

(a) abolished Zhangping County and established Zhangping City (county level).

(b) abolished Fuqing County and established Fuqing City (county level).



Jiangxi Province: abolished Dexing County and established Dexing City (county level).

Shandong Province:

(a) abolished Jiaonan County and established Jiaonan City (county level).

(b) abolished Laixi County and established Laixi City (county level).

Henan Province:

(a) abolished Pingdingshan City's Wugang District and established Wugang City (county level).

(b) Jiaozuo City's Jiao District renamed Shanyang District.

Hubei Province: abolished Huanggang County and established Huangzhou City (county level).

Hunan Province:

(a) abolished Xiangtan City's Shaoshan District and established Shaoshan City (county level).

(b) relocated the seat of the Zixing City People's Government from Xingning Town to Tangdong.

Guangdong Province: established Futian District, Luohu District, and Nanshan District in Shenzhen City.

Guangxi Zhuang Autonomous Region: abolished Gongcheng County and established Gongcheng Yao Autonomous County.

Hainan Province: established Zhendong District, Xinhua District, and Xiuying District in Haikou City.

Sichuan Province: abolished Chengdu City's Dongcheng District, Xicheng District, and Jinniu District; after readjustment, established Jinjiang District, Qingyang District, Jinniu District, Wuhou District, and Chenghua District.

Guizhou Province:

(a) abolished Chishui County and established Chishui City (county level).

(b) abolished Anshun City and Anshun County and merged into a newly established Anshun City (county level).

Yunnan Province: abolished Zhenyuan County and established Zhenyuan Yi-Hani-Lahu Autonomous County.

Tibet Autonomous Region: relocated the seat of the Zhongba County People's Government from Zhadun to Tuoji.

Shaanxi Province: abolished Huayin County and established Huayin City (county level).

### Ministries Issue Disaster Relief Circular

OW0601123591 Beijing XINHUA Domestic Service  
in Chinese 0735 GMT 5 Jan 90

[By correspondent Zhou Jianguo (0719 1696 0948)]

[Text] Beijing, 5 January (XINHUA)—To assist the masses living in disaster-stricken areas to have a comfortable Spring Festival and live through the winter safely, the Ministry of Civil Affairs and the Ministry of Commerce recently jointly issued the "Circular on Making Adequate Arrangement for the Daily Life of the Masses in Disaster Areas During This Winter and Next Spring."

The circular points out: Last year's disasters were characterized by the distinguishing feature that some areas were quite seriously affected despite the bumper harvests achieved in agriculture as a whole. Damages from disasters have caused great difficulties to the production and life of the masses in disaster areas this winter-spring season. In light of this, the circular reminds all areas to understand clearly the disaster situations and make serious efforts to carry out disaster relief work in the winter-spring season.

The circular asks all areas to allocate relief food and money to the worst hit and poor areas and distribute them to the hardest hit victims, to the "five-guarantee households" [childless and infirm old persons who are guaranteed food, clothing, medical care, housing, and burial expenses by the local collectives] whom the collectives are unable to support because of the disasters, and to the relatives of martyrs and soldiers having difficulties in maintaining a living. It is necessary determinedly to follow the mass line in distributing relief food and money and to make public the results of the relief operation. The circular also asks food departments at all levels to do a good job in shipping food to ensure the food supply to disaster areas.

The Ministry of Civil Affairs has formed seven work groups headed by cadres at the ministerial and bureau levels. They will soon be going to Sichuan, Guizhou, Guangxi, Henan, Hebei, Hubei, Shandong, and Shaanxi, which suffered considerable damage from last year's disasters. The work groups will be working with local governments to understand and grasp the relevant situations and help them carry out relief work and make arrangement for the daily life of the masses. The first batch of work groups left the capital today.

### Supreme Court on Enforcing Narcotics Decision

OW0601135491 Beijing XINHUA Domestic Service  
in Chinese 0506 GMT 4 Jan 91

[Text] Beijing, 4 Jan (XINHUA)—The Supreme People's Court yesterday issued a circular on strictly enforcing "The Decision of the Standing Committee of the National People's Congress on Banning Narcotics" and imposing heavy punishments on narcotics criminals. It instructed people's courts at various levels across the

country to have a thorough understanding of the legislative spirit of "decision" and comprehend the meaning of the specific clauses so as to correctly apply the "decision" in hearing narcotics cases and crack down harder on narcotic crimes.

The circular says: Narcotic crimes have been getting worse in recent years. Not only the number of cases has increased, but the quantity and area involved also have grown bigger and bigger. Narcotic crimes pose great harm to the physical and mental health of the people and will lead to the hideous phenomena of narcotics addiction, which in turn will give rise to all sorts of crimes that seriously jeopardize public order and the smooth progress of China's modernization. Therefore, waging a narcotics-banning struggle has a bearing on our national strength and prosperity, the health and happiness of our future generations, and the success or failure of our socialist reform and opening up to the outside world.

The circular urges people's courts at various levels to handle narcotics cases promptly. They should implement firmly the policy of meting out according to law severe punishments to criminals involved in smuggling, selling, transporting, and producing narcotics and illegally growing plants that are sources of narcotics. Presently, people's courts in localities with a high incidence of narcotics cases should give priority to cases of this category in adjudicating criminal cases and should impose heavy punishments on those criminals whereby the circumstances surrounding their crimes are particularly serious. For those who give themselves up or render meritorious service by informing against or exposing other narcotic crimes, the courts may give them light or reduced punishment or exempt them from punishment. In hearing narcotics cases, they should see to it that the basic facts of the offense are clarified and the basic evidence is complete and reliable and carefully examine expert evaluation of the qualitative and quantitative analyses of the narcotics involved to ensure that the cases are handled properly. They should impose appropriately such supplementary punishments as fines and confiscation of property so that the criminals will not gain any economic benefit.

The circular points out: People's courts at various levels should use the cases they handle to make it known what the law stands for and vigorously to popularize the "decision." In light of their specific conditions, localities with a high incidence of narcotic crimes in particular, by way of open trials of selected typical cases, media coverage, and other methods, should give wide publicity to the significance and severity of the "decision" regarding the narcotics crackdown to educate the masses on conscientiously struggling against illegal and criminal acts, should frighten the criminals, and should warn them to pull back before it is too late instead of defying the law.

The circular sets forth: Provisions in the "decision" are applicable to narcotics crimes committed after the promulgation and enforcement of the "decision." As for whether it is applicable to narcotic cases that take place

before the "decision" goes into effect but have yet to be tried or in the process of a trial after it goes into effect, the principle stipulated in Article 9 of the Criminal Law apply. As for narcotic cases that take place before the "decision" goes into effect and have been legally adjudicated in accordance with the laws and provisions at that time, legally effective judgments and decisions reached by the people's court shall not be changed.

### State Supports Social Science Projects

OW0601141591 Beijing XINHUA in English  
0849 GMT 6 Jan 91

[Text] Beijing, January 6 (XINHUA)—A number of research projects on the basic theories of Marxism and on both the theory and practice of China's socialist modernization recently won financial support from the state.

It is learned from the Chinese Academy of Social Sciences that the selection of the projects for the annual state social sciences fund has been completed and over 300 experts and scholars from various disciplines participated in the process.

Both the number of winners and the amount of financial support awarded were increased in 1990. As a result, 363 projects received awards of over 6.4 million yuan.

The 185 young scholars receiving awards accounted for 33.8 percent of the total projects, an increase over the 1989 figure of 30.4 percent.

Experts commented that "the academic level of the projects by young scholars recorded much progress in 1990."

The projects were wide-ranging and included studies on the theory of Marxist democracy, the Marxist concept of freedom, studies on the Marxist concept of human rights, comparative studies of Marxist and Western economics, and the Mao Zedong concept of socialism.

Projects engaged in research into the theory and practice of socialist modernization accounted for over 60 percent of the total. These projects included the studies on the basic theories of socialist economies, studies on building new socialist assets systems, studies on the steady development of the national economy, and studies on combining of planned and market systems.

In addition, the selections also emphasized strengthening and upgrading a number of disciplines including ecoethics, the history of commerce, the history of Buddhist logic, the study on human rights, and the history of ethnology in China.

### Forum Urges Upholding Mao Zedong Thought

HK0701135291 Beijing RENMIN RIBAO in Chinese  
25 Dec 90 p 1

[Report by Lu Jichuan (4151 4949 0278): "Forum Held by Society of Philosophical History of Marxism and Theoretical Department of RENMIN RIBAO Stresses Unswervingly Upholding and Developing Mao Zedong Thought"]

[Text] Recently, the Society of Philosophical History of Marxism and the theoretical department of RENMIN RIBAO jointly held a forum on "upholding and developing Mao Zedong Thought." The participants emphasized that in view of the spread of bourgeois liberalization in recent years, it is more necessary for us to unswervingly uphold and develop Marxism-Leninism and Mao Zedong Thought in the new historical period so that the socialist cause pioneered by Comrade Mao Zedong and other proletarian revolutionaries of the older generation can be pushed forward uninterruptedly.

Zhuang Fuling, professor of the Chinese People's University, said that in the past decade, Mao Zedong Thought was always the first target attacked by the ideological trend of bourgeois liberalization. This is by no means an accidental phenomenon. In China, anyone who wants to advocate bourgeois liberalization and oppose our socialist system would naturally direct their spearhead at Mao Zedong Thought. Therefore, when we are combating bourgeois liberalization today, we must, just as was pointed out by Comrade Deng Xiaoping, uphold and develop Mao Zedong Thought, accurately and completely study and apply it, and develop it in light of the new historical conditions. We must make a conscientious study of the history of development of Mao Zedong Thought so that we can really understand why it is a scientific theoretical system pooling the collective wisdom of the whole party and the masses of people.

Gu Jinping, deputy director of the Bureau for Translation of the Works of Marx, Engels, Lenin, and Stalin, held that Mao Zedong Thought is a great outcome of combining Marxism with the concrete practice of the Chinese revolution. In order to adhere to the four cardinal principles, we must develop the fine tradition of conscientiously studying Marxism, which was always advocated by Comrade Mao Zedong; develop the Marxist and revolutionary spirit of criticism; oppose bourgeois liberalization; and criticize all anti-Marxist and anti-Mao Zedong Thought ideas.

Su Houzhong, professor of the Beijing Municipal CPC Committee party school, pointed out: A small number of advocates of bourgeois liberalization said that "only by thoroughly criticizing Mao Zedong Thought can we carry out the reform." This idea sets Mao Zedong Thought against the socialist reform. It must be vigorously criticized. He emphasized that Mao Zedong Thought is a spiritual weapon for socialist reform. Since we began to carry out reform and open up to the outside

world, our party has not only adhered to Mao Zedong Thought, but also has developed it. That is why great successes have been achieved. This once again proves that Mao Zedong Thought is of far-reaching guiding significance to the socialist reform.

The participants pointed out: We must conscientiously use Mao Zedong Thought to analyze the new situation and solve new problems and must make continuous efforts to blaze new trails for its development through practice. Song Yixiu, professor of Beijing University, held that at present, attention must be paid to studying the theories, laws, and methods of socialist modernization construction and summarize them from a high plane of theory. Chen Zhannan, associate professor of Beijing University, said that the struggle to win over the younger generation is still very sharp. This is an important expression of class struggle in our socialist society. We must attach great importance to carrying out education on Mao Zedong Thought among the young people so that there is no lack of successors to our socialist cause.

Both Yang Chungui, professor of the Central Party School, and Tang Yuanchang, associate professor of the Postgraduate Institute of the Academy of Social Sciences of China, held that in order to understand the objective law, overcome blindness, and strive for the great victory of the cause of socialist modernization, we must attach great importance to the study of Mao Zedong's philosophical thinking and make great efforts to master the Marxist theory of knowledge and dialectics.

Puncog Wangje, vice chairman of the Nationalities Committee of the National People's Congress, and Wu Jie, vice governor of Shanxi Province, attended the forum and made speeches on special subjects. Puncog Wangje held that as long as we follow Mao Zedong's theory on nationalities, oppose bourgeois nationalism, and maintain equality and unity among nationalities, the unity of our country will surely be consolidated. Wu Jie said that we must further tap and sort out the modern ideas and scientific thinking contained in Mao Zedong Thought, such as the idea of system theory, and apply them in the practical work of building socialism with distinctive Chinese characteristics.

### Expert on 'Misunderstanding' of Mao Statement

OW0701142791 Beijing XINHUA in English  
1309 GMT 7 Jan 91

[Text] Beijing, January 7 (XINHUA)—An authority on the history of the Chinese Communist Party today corrected the misunderstanding surrounding a statement Mao Zedong made 20 years ago to American journalist Edgar Snow.

In a long conversation he had with Snow through an interpreter in December 1970 in Zhongnanhai in downtown Beijing, Mao used an almost untranslatable Chinese saying. Although Snow had some knowledge of Chinese, he took the interpreter's English rendering



literally and mistook it to mean "a lonely monk traveling the world under an umbrella". This English phrase appeared in a book Snow subsequently wrote and led many foreign researchers to believe that it portrayed Mao's feelings of loneliness at that time.

Gong Yuzhi, an authoritative researcher on the party's history, wrote to the editor of the "PEOPLE'S DAILY" to the effect that the detailed records of that conversation, which are still kept in the country's archives, show that the misunderstanding arose from a mistranslation.

According to Gong, Mao was telling Snow that he was dissatisfied with the personality cult surrounding him, as manifested in the then-prevalent phrases such as "great teacher", "great leader", "great supreme commander" and "great helmsman". He asked Snow whether his friends in the foreign community in Beijing had talked to him about these things. Snow replied that they had not been as straightforward as Mao himself. Commenting that they feared saying the wrong things, Mao added that "I am not afraid of saying the wrong things; I defy laws human and divine, like 'he shang da shan—wu fa wu tian'."

Here, Mao used one of the common Chinese allegorical phrases, which often consist of two parts, the first, always stated, is descriptive, while the second carries the message. Literally, the phrase Mao used means "a monk walking under an umbrella—there is neither hair nor heaven." Since "hair" in Chinese is a homonym of "law" (both pronounced "fa"), the phrase is a household expression in China meaning "lawless" or "fearless", depending on the context.

Gong's letter was written December 26, 1990, the 97th anniversary of Mao's birth and carried on the eighth page of today's "PEOPLE'S DAILY". It was prompted by a TV program on Mao in which the misunderstood phrase was quoted.

#### 'Pen Talk' on Understanding Socialism

HK0601085291 Beijing RENMIN RIBAO in Chinese  
24 Dec 90 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Professor Lin Tai (2651 3141) of Qinghua University: "Scientifically Understand China's Socialism"]

[Text] To scientifically understand China's socialism, it is necessary to first adopt a correct approach to the issues of a country's comprehensive national strength and per capita output value. Among more than 160 countries and regions in the world, more than 120 have a population of over 1 million people, and less than 10 have a population of over 100 million people, and only one country—namely, China—has a population of over 1 billion people. China has a "vast territory and rich resources," but after being divided by the huge denominator of population, it looks very backward. In 1950, U.S. coal output was 10.8 times China's; but now, our gross coal output has exceeded the United States' and

ranks first in the world. This is certainly a great achievement; however, our per capita coal output is merely more than 20 percent of the United States.' In 1950, U.S. grain output was 15 percent higher than China's; but now, our gross grain output has also exceeded the United States' and ranks first in the world; however, our per capita grain output is still slightly lower than the world's average. China is a large country, and its advantage lies in its huge comprehensive national strength, but its weak point lies in the low level of per capita output value. According to the three-step economic development strategy laid down by the party central leadership, by the middle of next century, our per capita GNP can only reach the level of an intermediately developed country. If at that time, our per capita GNP reaches \$4,000 and our population increases to 1.5 billion people, then our GNP will reach an unparalleled level of \$6,000 billion (the current U.S. GNP is just \$5,000 billion), and the overall economic strength will be the greatest in the world. Moreover, because we rely on the superiority of the socialist system and adhere to the policy of becoming wealthy together without polarization, when our per capita GNP reaches the level of an intermediately developed country, the life quality of the broad masses will certainly be improved substantially. "Then, facts will more cogently prove that the socialist system is superior to the capitalist system and will show the orientation of a struggle for the other three-quarters of mankind."

To evaluate China's socialism, we should also correctly assess the real value of our renminbi currency, the real purchasing power of the Chinese people, and their actual standards of living. At present, a prevailing method in the international economic circles is to base the comparison on the exchange rate. That is, a country's currency will be converted into U.S. dollars according to the official exchange rate in order to compare the GNP figures. The changes in the exchange rate may lead to big errors in international comparisons. For example, while being calculated according to the comparable renminbi prices in 1980, our country's 1987 GNP should increase by 125 percent over that in 1978. If the figures were converted into U.S. dollars according to the exchange rate in the referent year, however, the 1987 GNP even declined by 10 percent from the 1978 figure. This was obviously untrue. The cause of such an error was that the exchange rate of renminbi against the U.S. dollar was lowered from 1.49 to one in 1978 to 3.72 to one in 1987. If the appreciation of the Japanese yen against the U.S. dollar and the devaluation of renminbi against the U.S. dollar were put together, the error would be even bigger. According to a report by the World Bank, Japan's gross domestic product increased by an annual rate of 3.8 percent between 1980 and 1985. That is to say, even if China's gross domestic product stood still in this period, it would not have fallen from one-fourth of Japan's growth rate to one-fifth of Japan's growth rate in this period as SHIJIE JINGJI DAOBAO reported, still less could it be true when China's actual average annual GNP growth rate was as high as 9.8 percent. The reason for the misleading figures lay in the fact that in this

period, the exchange rate of renminbi against the U.S. current dropped from 1.49:1 to 3.54:1, while the exchange rate of the Japanese yen against the U.S. dollar rose from 203:1 to 159:1 (in 1986). It was by adopting such a ridiculous comparison method that the television series "River Elegy" and SHIJIE JINGJI DAOBAO exaggerated the gap between the socialist and capitalist countries and fabricated grounds for their viewpoint that "socialism is destined to fail." According to their method, after the exchange rate of renminbi was lowered twice in the past year, the per capita GNP in our country would thus decline. This was obviously out of keeping of our country's economic situation.

Because of the defects of the exchange rate comparison method, after the 1960's the United Nations gradually tried to adopt the method of comparing the people's purchasing power. According to this method used by the World Bank, the purchasing power of different currencies are calculated against 500 commodities in 151 categories within the comparable scope, and China's per capita GNP in 1985 should be equivalent to \$1,100 to \$1,600—that is, four to five times the amount calculated according to the exchange rate comparison method. A professor in Italy's Milan University also held that in China's cities and towns, the goods and services that can be bought with an amount of renminbi equivalent to \$50 will cost \$250 in the United States and 150 pounds sterling in Britain. This is also five times the exchange rate. This comparison method is in fact more realistic. This shows that the gap between China and the developed capitalist countries is gradually narrowing rather than "increasingly widening." China's socialism is full of strong vitality.

#### 'Pen Talk' Claims Socialism Still in Its Dawn

HK0701045991 Beijing RENMIN RIBAO in Chinese  
24 Dec 90 p 5

["Pen Talk" under the heading of "Only Socialism Can Develop China" by Li Runhai (2621 3387 3189), professor of Qinghua University: "In Today's World, Socialism Is Still in Its Dawn"]

[Text] The building of socialism "has to undergo a protracted struggle as well as a series of historical processes which will completely transform both man and his environment". Undoubtedly, this is the greatest and most difficult process of social transformation in history.

First of all, since the disintegration of the primitive commune, mankind has lived in a society under a private system of ownership for thousands of years. The social transformation which took place during this time was the replacement of an exploitative system by another form of exploitative system. Meanwhile, socialist transformation seeks to replace the private ownership system by a public ownership system and to gradually realize the transition from a class society to a classless one. Given that the replacement of feudalism by capitalism was punctuated by a series of setbacks and turmoils, it is not

at all surprising that socialism should encounter difficulties and reversals in its process of development. In the future, when people look back at these setbacks and failures, they will see that these were but huge or tiny whirlpools in the greater flow of events.

Second. The transformation from capitalism to socialism first began in countries with comparatively more backward economies and cultures. They have poor foundation, suffer from a late start, and have to complete the business which should have been accomplished by the bourgeoisie; at the same time, they are engaged in the building of socialism. Lenin was right when he said: "The more backward the country which is forced to initiate socialist revolution because of setbacks in the historical process, then the more difficult it is for them to make the transition from capitalist relations to socialist relations." ("Complete Works of Lenin", Volume 27, Page 77) Similarly, we have reason to say that precisely because of the greater difficulty involved in the building of socialism by the more economically backward countries, the achievements they have obtained in the few decades are of deeper historical value.

Third. Marx and Engels had once estimated that after the advanced capitalist states will have completed the socialist transformation, they can help and lead the backward countries in their leap over the Kádfin [KA FU DING 0595 1133 0002] gorge of the capitalist system and embark on the socialist road. However, because the historical developments of the 20th century went beyond the expectations of Marx and Engels, socialist transformation took place first in more economically backward countries, thus shaping up this pattern on earth: Some economically backward countries took the lead in establishing an advanced socialist system, while the economically developed states preserved the relatively backward capitalist system. Hence, the capitalist world will maintain superiority in terms of economic might for a fairly long period of time. Meanwhile, not only will the economically backward countries fail to receive assistance and support from economically developed countries as they try to leap over the Kádfin gorge, they will also encounter powerful sabotage and opposition from them. The international bourgeoisie will not hesitate to resort to all means and measures including armed invasion and peaceful evolution in order to eliminate the fledgling socialist system. Naturally, this increases the difficulties of the socialist cause.

Four. Like any social system in history which has to go through its own childhood, the socialist system which is today only a few decades old is still in its childhood age and is still quite immature in many ways. The political and economic structures in socialist countries are still imperfect. To perfect the socialist system through reforms and to have it progress from an immature childhood to mature adulthood would, to the very least, require the efforts of several generations.

Five. We are still ignorant or have not fully understood the concrete laws involved in socialist construction.

Before us are still many "necessary realms" to conquer. Experience have shown that a price has to be paid for the understanding and mastery of the laws of socialist development. Sometimes, the price can be very high and knowledge comes only from the positive and negative lessons drawn from both successes and failures. Besides, the socialist builders themselves cannot immediately unload the enormous influences brought on by several thousand years of historical tradition in the system and concept of private ownership. As they are no natural-born sages and saints, they too have to, and can only transform their own world outlooks as they transform the objective world. Therefore, the appearance of failures in the process of socialist construction is but inevitable. And each failure will naturally inflict harm of varying degrees to the socialist cause. This is one of the causes of the difficulties in the development of socialism.

On the eve of the founding of New China, Mao Zedong pointed out: "Victory around the country is but the first step completed in the Long March." "China's revolution is great, but the road ahead is longer, and the work even greater and more arduous." Today, we have a deeper appreciation of these words. We are advancing amid the reforms. We have already embarked on the journey toward socialism. We should move ahead in spite of the difficulty and strive to build a tomorrow.

We are firmly convinced: In today's world, socialism is still in its dawn.

#### **'Pen Talk' Views Reform's Socialist Orientation**

HK0701003391 Beijing RENMIN RIBAO in Chinese  
24 Dec 90 p 5

["Pen Talk" under the heading of "Only Socialism Can Develop China" by Dong Xinbao (5516 2450 0202), professor of Qinghua University: "Adhere to the Socialist Orientation of Economic Reform"]

[Text] In the 40 years since the PRC's founding, our country has made brilliant achievements in economic construction. The main economic indicators, the output of major industrial and agricultural products, and the per capita figures have all increased at high speeds. Our country's gross national product [GNP] increased by an annual average of 6 percent between 1953 and 1978. In this period, our country also established an independent and basically all-embracing national economic system. Through reforms in the 10 years after the Third Plenary Session of the 11th CPC Central Committee, greater achievements were made as compared with the pre-reform period. Between 1979 and 1988, our GNP increased an average annual rate of 9.6 percent, and this was the highest economic growth rate in the world for that period. However, due to the complicatedness and arduousness of the reforms some new problems unavoidably appeared in the process of transition from the old to

the new. The emergence of some difficulties, contradictions, and conflicts made some people feel doubtful and gave rise to some unfavorable comments. This was understandable.

In reality, two opposite orientations and views of reform exist regarding our country's economic structural reform. One is to adhere to the socialist orientation and continuously develop and improve the socialist system through reform; the other is to abandon the socialist orientation and imitate the practice of the Western nations. In my view, socialism has been practiced for 40 years in China and has manifested, and will continue to manifest, its superiority. Socialism is a new thing with strong vitality and has a great potential. In the course of economic restructuring, we must adhere to the socialist orientation. At present, the confrontation between the two opposite views of reform is mainly reflected in such issues as whether to maintain the dominating position of public ownership or to carry out privatization, whether to consistently integrate the planned economy with market regulation or to adopt an out-and-out market economy, whether to keep distribution-according-to-work as the main form of distribution or to pursue polarization, and whether to open up on the basis of independence and self-reliance and to seek "wholesale Westernization" in the course of "opening up."

People who advocated bourgeois liberalization talked about "changing the philosophical basis in order to carry out reform," and "turning state property into individual property." Some people even suggested that "China should realize 'privatization' in one single move." They blamed us for not practicing "private ownership, the most effective and simplest scheme proved by several thousand years' history and by more than 100 countries in the world." They were ignorant of China's current reality as well as China's history. How could one say that China did not experience private ownership? Private ownership in China lasted for several thousand years, and the Chinese people suffered from merciless exploitation and oppression under the private ownership system. They were forced to take the revolutionary road under the miserable circumstances of class oppression and exploitation. The modern history of the last more than 100 years also showed that the Chinese people fought bravely in the revolutionary struggle, made heavy sacrifices, and paid heavy costs in order to explore a correct revolutionary road, and eventually made the historical selection of taking the socialist road which led to the elimination of exploitation and private ownership through the struggle practice over more than 100 years. The socialist road represents the historical selection made by the people. If they take the road of retrogression and restore private ownership, the inevitable consequence will be the repetition of the miserable life in the old society. Therefore, in the reform related to the ownership structure, the basic pattern with public ownership as the dominating factor must be firmly maintained.



Adhering to the integration of the planned economy with market regulation is another key issue concerning the maintenance of the socialist orientation of the economic structural reform. The socialist economy should be a planned commodity economy based on public ownership. Correspondingly, the socialist economic operational mechanisms should naturally be the organic combination and intrinsic unification of the planning and market mechanisms. On this issue, we should guard against two extreme approaches. One is to deny the planned economy and advocate the adoption of "a complete form of market economy"; and the other is to deny the existence and role of the commodity economy and the law of value and advocate the restoration of a pure model of planned economy. These two extreme approaches are both one-sided. The former is subject to the influence of bourgeois liberalization, and the latter represents a one-sided idea. In order to adhere to the socialist orientation, we must not practice the so-called "complete form of market economy" free of planned guidance, because a "complete" market economy means that the planned economy will be "completely" discarded. What difference will there be between such an economy and the Western capitalist economy, and what similarity will there be with the socialist economy?!

#### Article on Sensational TV Series 'Yearning'

HK0701144791 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 52, 24 Dec 90 p 1

["Letter from Beijing" by Bao Xin (0545 0107): "About Beijing's 'Yearning' Fad: TV Series 'Yearning' Causes a Sensation in Beijing"]

[Text] Dear Friends:

A fad has suddenly surfaced in the bitter cold of Beijing. It is none other than the "Yearning" fad, which gives us much food for thought.

"Yearning" is a 50-part TV serial produced by the Beijing Municipal Television Broadcasting Stations, and it has been a rare sensation since its debut last month. For the past month, every time "Yearning" was on, movie houses that usually drew large audiences found their box-office takings drop to a low. An additional item aside from the weather condition was found on the conductor's noticeboard, which said: "Yearning" is on this evening, giving the exact time of transmission. Likewise, this TV serial has been popular among intellectuals, suiting both refined and popular tastes. "Yearning" has turned out to be the talk of the town.

"Yearning," however, is not unique in its popularity. The 10-part TV serial "The Siege," presented at the same time by the Central Television Broadcast Station, has won warm acclaim, especially in the literary and art and intellectual circles.

"Yearning" portrays a modern story set in Beijing—a bittersweet story of the Lius, who live in a quadrangle, and the Wangs, who live in a small independent house of

comparatively modern design. "The Siege" is a serial based on the famous writer Qian Zhongshu's novel of the same name written in the 1940's, set during the War of Resistance Against Japan, which narrates the experiences and mentalities of some intellectuals in Shanghai, Jiangsu, and Zhejiang. The two serials fall into different artistic genres. "The Siege" is an adaptation of a famous novel. In its making, the production team pursued truthfulness to the original, brought forward its merits, while preventing its shortcomings, to give full play to the peculiar appeal of a teleplay. "Yearning" falls into the soap opera category, like some pop literature; it is a play on social ethics which pays attention to suiting both refined and popular tastes. It is attractive to both the old and the young. As mentioned above, the sensation caused by "Yearning" has demonstrated its commendable success. The teleplay "The Siege," based on a novel renowned at home and abroad, has succeeded in winning praise from the literary and art circles, and even the author of the original has been lenient toward the work and has nodded his approval—that is, likewise, a commendable success. Because the two serials have been shown at the same time, some Beijing viewers cannot but help regret that they have given up one of two delicious dishes.

"Yearning" is produced in Beijing, while "The Siege" is a Shanghai production. The two metropolises in the north and the south have always taken the lead in literary and art creation in China. At the same time as these two teleplays are scoring great successes, other cities have also presented some good works. For example, Zhejiang Television Broadcast Station has recently presented an 11-part TV serial entitled: "Whom To Defend," portraying a female lawyer's work and life, which has been well received.

With the surfacing of these works, we can say that China's teleplay creation has entered upon a new spring. In a broader sense, it is a good omen predicting an ever-increasing invigoration of China's television circles and even literary and art circles.

Needless to say, in the wake of the turmoil at the turn of spring and summer last year, the Chinese literary and art circles were relatively silent for a while. There is nothing strange about that, because writers and artists need to ponder over things again, to summarize experiences and lessons and to more effectively implement the principle of literature and art serving the people and socialism. The CPC Central Committee is explicit about the guiding policy for work in literature and art—namely, grasping consolidation on the one hand and grasping prosperity of literary and art creation on the other. This policy has proved to be correct and effective. A situation of comparative prosperity has already surfaced in teleplay creation. Associated with the recent Chinese Theatrical Festival and the imminent Theatrical Festival marking the Bicentennial of the Anhui Beijing Opera Theatrical Troupe making its debut in Beijing, we can see ever more vigorous activities on the stage. To make literary and art creation prosperous is no longer a slogan

on lips only, but the concrete actions of an increasingly greater number of literary and art workers.

Take "Yearning" for instance. This has been China's first large-type TV serial shot in a studio. The difficulties can be very great for the production team, because the technique with several cameras shooting at the same time, on-the-spot editing, and synchronous sound recording were new topics that had to be started from scratch, in addition to the restrictions in equipment and funds; however, all this has been overcome with a daring spirit. It was said the rewards for the production team members were relatively low in the teleplay circles and the standards of food and living quarters in the course of production, just so-so; however, no one believed the conditions were arduous and they supported and encouraged each other in difficulties and hardships. Then came their success. Likewise, such a spiritual state is of typical and universal significance.

The director and playwright of "The Siege" made repeated studies and revised the script several times, while regarding the adapted version of "The Siege" as a gem of artistic work in their operation. Likewise, the spirit of advancing despite difficulties and daring to scale the heights is worthy of praise from inside and outside the trade.

This being the case, it is only natural that the surfacing of the TV serials "Yearning" and "The Siege" has filled people with greater confidence in the prosperity of Chinese literature and art.

Sincerely,  
[Signed] Bao Xin  
[Dated] 17 December

### Urban Housing Development Stepped Up

HK0701044591 Beijing CHINA DAILY in English  
7 Jan 91 p 1

[By staff reporter Li Hong]

[Text] The Chinese Government has decided to make urban housing development a top priority this year—excepting it from the three-year austerity programme initiated since 1989.

Deputy Construction Minister Gan Zhijian revealed at a recent conference in Beijing that the Central Government has decided to invest 29 billion yuan (\$5.57 billion) in urban housing projects in 1991—tripling the 10 billion yuan (\$1.92 billion) invested in such projects over the past two years.

The new apartments, said Gan, will be sold to urban dwellers with the price shared between the State, the enterprises and the individuals, as a part of the proposed urban housing reform.

Observers said that the marked increase in urban housing investment this year is closely linked to the overall intent to re-invigorate the nation's economy.

The country's two-year-old austerity drive has virtually put a stop on the country's fixed assets investment, especially capital construction, resulting in a sluggish market and the stockpiling of products and materials.

At the year's end, the State Council planned a moderate 10 per cent increase in fixed assets investment for 1991 in order to bolster a 6 per cent rise in national industrial production.

And it has put urban residential projects on the top of the country's development plan, along with the essential agriculture, energy, transport and telecommunications projects.

Zhang Yuanduan, director of the ministry's Real Estate Department, told CHINA DAILY that increased housing investment could lead to faster consumption of such stacked-up materials as steel, cement, timber and glass, which may further spur market demand for other industrial and consumer goods—"besides creating more jobs in the construction business."

He said that China is set to increase its per capita urban living space to 7.5 square metres by 1995, and to 8 square metres by 2000—from the current 6.6 square metres.

"In order to accomplish the targets, the country must earmark an investment of at least 20 billion yuan (\$3.85 billion) each year for housing development," Zhang said.

Thought the fixed assets investment is to be expanded in 1991, according to Zhang, projects to build luxurious hotels, auditoriums, guesthouses and plush sanatoriums will continue to be "strictly controlled."

In addition to erecting hundreds of new high-rise apartments and 21 modernized urban community centres in 1991, priority will also go to rebuilding and refurbishing all the "outmoded and unsafe houses" in the urban area—estimated at more than 350 million square metres throughout the country, Zhang said.

China made outstanding progress in accommodating its citizens during the 1980s, but due to the irrational public housing distribution system, problems remain.

CHINA DAILY has learned that despite the billions of yuan invested by the government each year in building welfare housing, there are still 550,000 urban families suffering from the acute housing shortage.

### Science & Technology

#### Government Improves Quality of Satellite Pictures

OW0401143691 Beijing XINHUA Domestic Service  
in Chinese 0440 GMT 3 Jan 90

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 3 Jan (XINHUA)—Rivers, mountains, cities, and streets can be seen clearly from ground



pictures taken from satellites far from earth with Chinese-made remote sensing photosensitive films. This reporter has learned from the Ministry of Chemical Industry that the quality of Chinese-made color infrared negatives, black and white aeronautic remote sensing negatives, and other astronautic and aeronautic films has reached the advanced international standard. This is a great achievement made by China's photosensitive material industry.

Taking pictures from an altitude of scores of kilometers from the surface of the earth and from a satellite several hundred kilometers from the earth requires high-quality film, which is difficult to manufacture. When pictures are taken from a satellite, film usually cannot be accurately exposed due to the influence of surface weather and the high angle of the sun. Satellite film is usually several thousand meters long, and if one section of it is out of order, the entire filming process will be affected. Various companies in the world now treat photosensitive material technology, particularly the emulsion synthetic technology, as top secret.

The No. One Film Factory of the Ministry of the Chemical Industry, displaying the spirit of arduous work and self-reliance and working in cooperation with relevant research units and institutes of higher learning in China to tackle this problem, succeeded in manufacturing the first generation and the second generation of black and white astronautic remote sensing negatives, color remote sensing negatives, and other serial astronautic and aeronautic film, thus basically meeting the needs of topographic mapping, resource surveys and prospecting, agricultural and forestry surveys, soil and water quality surveys, environmental monitoring, and scientific research. An initial base for the research and production of special photosensitive material has taken shape in China.

According to a source, Chinese-made film used by China's scientific experimental satellites and soil surveying and photographing satellites produced good clear pictures with high resolving power. In a large-scale comprehensive remote sensing experiment participated in by many disciplines and organized by the Chinese Academy of Sciences, seven kinds of Chinese-made aeronautic film were used. A large amount of valuable picture data was obtained. Marked results were made in using color infrared aeronautic negatives to take pictures in connection with locating minerals, selecting a path for a new railway, and surveying forest resources. Pictures taken in this "galloping remote sensing technology experiment" were awarded a national prize in science and technology advancement, second grade, by the State Science and Technology Commission. Chinese-made infrared aeronautic inverted film used by satellites to survey China's territory also produced good-quality pictures.

### **Nuclear Technology Detects Water Resources**

OW0701043891 Beijing XINHUA in English  
0210 GMT 7 Jan 91

[Text] Zhengzhou, January 7 (XINHUA)—China has successfully used nuclear technology to accurately detect water resources and locate wells.

Experimental projects using the approach have located 339 wells in Jiaxian County, central China's Henan Province, during the past four years.

As part of the experiments, scientists would first produce diffusive, chimney and convective effects on the radiating elements which are abundant in underground water. They were then able to detect water resources by monitoring the radiating halo formed in the soil layer of the earth's surface.

The research was conducted jointly by the Chengdu Geological Institute and the Water Conservation Department of Henan Province, along with a number of other institutions.

Experts say that the use of nuclear technology to detect water resources has paved the way for the rational exploration of underground water resources, and for planning well water conservation projects.

### **Oceanographic Center Says Sea Level Rises**

OW0401154591 Beijing XINHUA in English  
1441 GMT 4 Jan 91

[Text] Tianjin, January 4 (XINHUA)—The sea level in China has shown an obvious tendency towards rising in recent years, according to statistics released by the National Oceanographic Information Center.

The sea level in 1989 rose by 1.45 centimeters over 1988, and then increased by another 3.09 centimeters in 1990. The highest rise in sea level was registered in the South China Sea.

Rises in sea level have contributed to increasing numbers of disasters in the country's coastal areas.

In recent years, China has strengthened its co-operation with relevant organizations of the United Nations and has exchanged data and research results in the area of sea level changes.

## **Military**

### **Regulations Issued on Contacts With Outside World**

HK0601005491 Hong Kong MING PAO in Chinese  
5 Jan 91 p 2

["Newsletter From China" by Nan Hsun (0589 5651): "People's Liberation Army Takes Strict Precautions Against Officers' and Men's Contact With Outside World"]

[Text] News from Guangzhou: Last month, a work conference of the General Staff Department of the People's Liberation Army [PLA] called on the whole Army to step up political building, obey the party's command, and ensure that they are up to standard politically. A few days later, a military region again stressed the "regulations" against psychological warfare, incitement to defection, and infiltration and strictly ordered all officers and men under its command to struggle against the international reactionary forces and the domestic hostile forces and to voluntarily account for their overseas relations.

The political department of the military region held: Hostile forces at home and abroad have always regarded military regions as an important target for "psychological warfare" and incitement to defection. Since 1989, they have used radio and television broadcasts, telecommunications, business relations, contacts, and other methods to step up sabotage activities among the troops. Last August, the military region issued "regulations" on this count but, in recent months, there have still been violations of the "regulations" among officers and men under its command, thus bringing harm to the consolidation of state power and to social stability. The regulations, which the political department of the military region ordered the officers and men to seriously carry out, include the following important points:

"All officers and men with relatives and friends abroad or outside the border must voluntarily make a faithful and honest report to the organization without concealment."

"A serviceman must not voluntarily contact people from abroad or outside the border and is not allowed to buy goods or deliver letters on their behalf, exchange foreign currencies with and learn foreign languages from them, take group pictures, and so on. If, on official business, a serviceman is questioned, interviewed, or investigated by a person from overseas or outside the border, or conducts trade talks with a foreign businessman, he should get approval from the political department at the group army level or above and there should be two or more persons present on the occasion."

"A serviceman corresponding with a person from overseas or outside the border must get approval from the political department to which he belongs and is not allowed to reveal his identity in the letter. Involvement in military, party, and state secrets is strictly prohibited."

"To step up troop management and resist psychological warfare and incitement to defection by hostile forces, soldiers as well as noncommissioned officers are not allowed to have radios, recorders, or television sets. All companies must collect them properly and take good care of them."

"Activities, such as listener's choice songs and guessing games, conducted by radio and television stations overseas or outside the border are extremely harmful to our Army (referring to the liberation army). If people join the aforesaid activities without authorization, they tend to be

misled by superficial phenomena, waste their energy in light cases and probably accept reactionary political viewpoints and shake their convictions in communism in serious ones. They may even divulge secrets, be utilized by reactionary elements outside the border in their corrosion and infiltration activities against us, or provide pretexts for propaganda organs outside the border to carry out sabotage and create trouble. No matter what motives, all officers, staff, and family members following the Army are, without exception, strictly prohibited from participating in the aforesaid activities."

"A serviceman applying to go abroad or outside the border to see relatives, dispose of or inherit inheritance, or study at his own expense must first get approval from the cadre and security departments of the Army and then from the government's public security department. No application by a compulsory serviceman will be approved."

The area where the military region is stationed includes several noted special economic zones, with officers and men, staff, and family members in the hundreds of thousands in the coastal areas. Although the political work departments have firmly grasped the study and discussion of the "regulations," it is still impossible to prevent growing contacts between military personnel and people overseas and outside the border given the general trend of opening up. In particular, the enterprises and other units under the military region, must obey economic laws; in dealing with the political clauses, which fetter officers and men hand and foot, they either feign compliance or resist them, regarding them as an "intangible task" and even a "stumbling block."

### **Tibet Military Region Reviews 1990 Work**

*OW0401060391 Lhasa Tibet Television Network in Mandarin 1300 GMT 3 Jan 91*

[From the "Tibet News" program]

[Text] The five-day meeting of Tibet's Military District's work conference was held in Lhasa on the morning of 3 January. Geng Quanli, political commissar of the Tibet Military District; Zhou Wenbi, Liu Yongkang, deputy commanders of the military district; other leaders from commanding, political, and logistics departments of the military district; and major military and government leaders stationed in Lhasa at and above the level of independent regiment, attended the meeting.

The major tasks of this meeting was to sum up the 1990 work and to arrange the tasks for 1991. The meeting called on all departments to acquire a deep understanding of the importance of strengthening military work and of building grass-roots party branches in the new situation. It called on all to treat military training as the central task of all military work and the building of grass-roots party branches as the main task of political work. The meeting called for drawing up concrete and effective implementation measures. All participants were urged to strive for political qualification, acquire solid military skills, observe military discipline, and raise the combat strength of their

units in an all-around way. The meeting also called on leaders at all levels of party committees to correctly understand the situation, clearly define the guiding thought for various work; and, with a good work attitude, solid work style, strong sense of competition, and scientific way of doing things, strive to raise all areas of work in 1991 to another level. Finally, they were urged to satisfactorily fulfill the historical task entrusted to them by the party and the people of defending the big gate of the motherland's southwest regions.

[Video shows closeup shots of a high-ranking military official delivering speech and wide shots of other military officials in a large room listening to the speech and taking notes]

#### **Hainan Leaders Study Plenary Session Communique**

HK0701071791 Haikou Hainan Provincial Service  
in Mandarin 1100 GMT 3 Jan 91

[Text] Members of the Hainan Provincial Military District party committee Standing Committee conscientiously studied the 13th party Central Committee's seventh plenary session communique. After studying the communique, all the Standing Committee members acquired a clearer understanding of current domestic and international situations, further strengthened their own faith in taking the road of building socialism with salient Chinese characteristics, and obtained a more explicit understanding of the goals of Hainan's 10-Year Development Plan and Eighth Five-Year Plan.

The Standing Committee members held: Under the new circumstances, all the troops under the provincial military district's command must further develop the glorious tradition of working hard and industriously and thriftily building the country and the Army, extensively carry out activities aimed at making Hainan Island more prosperous and enhancing the combat effectiveness of locally stationed troops, actively support economic construction of the Hainan Special Economic Region, and make contributions to the fulfillment of all the grand goals set forth by the seventh plenary session.

#### **Economic & Agricultural**

#### **Conference on Energy Industry Opens 5 Jan**

OW0701043691 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 5 Jan 91

[From "National News Hookup" program]

[Text] A national energy source work conference opened today. This reporter has learned the following from the conference: During the Seventh Five-Year-Plan period, China's energy industries made rapid development. Both the coal industry and the electric power industry fulfilled the plan's targets more than one year ahead of schedule. During this period, China's coal output increased by 218 million metric tons, representing an average annual rate of 4.5 percent; and the electric power industry increased

power generation capacity by 204.3 billion kilowatt-hours, an average annual rate of 8.4 percent. China's petroleum output in 1990 amounted to 138 million metric tons; and during the Seventh Five-Year-Plan period, the petroleum output increased at an annual average of 2.6 million metric tons. The readjusted target of the plan was fulfilled.

This reporter also has learned that during the Eighth Five-Year-Plan period, China will take further steps to build up its energy industries in order to achieve an annual growth of nearly three percent in energy output and around seven percent in electrical output, which would meet basically the needs of the six percent annual GNP growth and approximately seven percent annual growth of industrial and agricultural output value in the next 10 years.

At today's meeting, the Ministry of Energy Resources hired 34 experts to serve as its senior consultants so that it can give play to and rely on the role of experts, promote a democratic and scientific policy-making process for energy industries, and reduce and prevent major errors in policymaking.

#### **Energy Targets Set**

HK0701045191 Beijing CHINA DAILY in English  
7 Jan 91 p 2

[By staff reporter Huang Xiang]

[Text] The nation's leading energy officials and experts, buoyed by the promise of government backing, met in Beijing on Saturday to hammer out the industry's development plan up to 1995.

They are here attending the six-day annual national energy conference at which production targets are to be set, ways to raise efficiency finalized and more government finance considered, CHINA DAILY learned yesterday.

The conference heard that the Ministry of Energy Resources had called for annual production of 1.26 billion tons of coal, 155 million tons of crude oil, 20 billion cubic metres of natural gas and 870 billion kilowatt hours of electricity by the end of the five-year plan period.

"The targets are set in line with the government's planned economic growth during the Eighth Five-Year Plan period (1991-95)," said Wang Wenzhe, the ministry's spokesman.

Wang said top government officials had promised to keep the development of the industry on their priority list. Special funds would be set up for the coal, electricity and oil industries, he said.

To meet the target, Wang said, capacity to produce an extra 280 million tons of coal and 100 million kilowatts of electricity should be built during the five years. And capacity to produce an additional 110 million tons of



coal and 57.3 billion kilowatts of electricity should be put into operation before 1995.

Also finalized at the meeting were the industry's production, investment and construction targets for 1991.

Coal output was set at 1.11 billion tons, 50 million tons more than the target for 1990, Wang said, while crude oil production was required to reach 139.3 million tons, compared with 138 million tons for the previous year. The electricity output goal was set at 645 billion kilowatt hours, an increase of 40 billion on 1990.

Technical innovation should also result in the saving of energy equivalent to 10 million tons of standard coal, Wang said.

He said total investment in the energy industry for 1991 would be more than 70 billion yuan (\$13.46 billion), with the electricity sector expected to absorb between 27 and 30 billion yuan (\$5.2-5.8 billion). The remainder was to go to the coal and crude oil industries.

The ministry's initial estimates show that the energy industry turned out 1.09 billion tons of coal, 138 million tons of crude oil, 15 billion cubic metres of natural gas, and 615 billion kilowatt hours of electricity during 1990.

Output fulfilled the State targets for the year and the quotas set for the Seventh Five-Year Plan (1986-90).

"China is still a developing country," the vice minister said. "The reason China remains poor is because the countryside is poor. The rural economy is not developed and all the surplus labour is in the countryside."

China has a rural labour force of 400 million, the vice minister said. About 200 million was enough to work on farms, and rural enterprises absorbed a further 93 million. The remaining 107 million labourers could not find work in the countryside, he said.

#### **Wang Wenze on 8th 5-Year Energy Production Plan**

*OW0601121291 Beijing XINHUA in English  
0841 GMT 6 Jan 91*

[Text] Beijing, January 6 (XINHUA)—China's annual output of energy is planned to reach 1.2 billion tons of standard coal by 1995, according to the Eighth Five-Year Plan set for energy production by the Ministry of Energy and Resources.

Under the plan, the targeted output of energy will be 160 million tons more than that in 1990, the last year of the state Seventh Five-Year Plan.

Wang Wenze, spokesman for the Ministry of Energy and Resources, told XINHUA that by 1995, the output of raw coal would reach 1.26 billion tons, crude oil 155 million tons, natural gas 20 billion cubic meters, electricity 870 billion kw-hrs.

The spokesman said that according to this plan, China would see an annual growth of nearly 3 percent in energy

output and 7 percent in electricity, which would meet the needs of the 6 percent growth of GNP in the next ten years.

To reach the target set in the plan, the Ministry of Energy and Resources will make a total investment of more than 70 billion yuan in the capital construction of energy industries in 1991, the first year of the Eighth Five-Year Plan. The planned investments include 10 billion yuan in coal industry, 30 billion yuan in power industry, and 24 billion yuan in oil industry.

Meanwhile, the ministry planned to create new production capacity of 24.7 million tons for coal industry, 8.6 million kw for power industry, and 13 million tons for oil industry.

According to the ministry's plan for 1991, the national output of energy will reach 1.06 billion tons of standard coal, including 1.11 billion tons of raw coal, 139.3 million tons of crude oil, 15.4 billion cubic meters of natural gas, and 645 billion kw-hrs of electricity.

#### **Energy Industries Top 1990 Production Targets**

*OW0601134891 Beijing XINHUA in English  
0751 GMT 6 Jan 91*

[Text] Beijing, January 6 (XINHUA)—China's energy industries topped the state target for 1990 by producing 1.04 billion tons of standard coal, an increase of 2.36 percent over 1989.

According to the Ministry of Energy and Resources, in 1990, the country produced 1.09 billion tons of raw coal, 30 million tons more than the state target; 615 billion kilowatt-hours of electricity, 10 billion kw-hrs over the state target; 138 million tons of crude oil, fulfilling the state target; and 15 billion cubic meters of natural gas, topping the state target by 500 million cubic meters.

Referring to the achievements China made last year in the capital construction of energy industries, Zhou Xiaolian, director of the planning department of the Ministry of Energy and Resources, said that China created new production capacity of 8.77 million kw for power industry, over 20 million tons for coal industry, 13.3 million tons for oil industry and 650 million cubic meters for natural gas.

Up to the end of 1990, Zhou said, the energy industries had fulfilled or overfulfilled the output targets set for them in the state Seventh Five-Year Plan (1986-1990).

But the coal industry failed to hit the state target for its capital construction as it only created a production capacity of 112 million tons in the past five years, only 67 percent of the target due to the shortage of funds.

Though the oil industry topped the state target for its capital construction in the past five years, its actual newly-created production capacity failed to meet the requirements of the Seventh Five-Year Plan because of the decline in the output of the old oilfields in east China.



Zhou said that China had several findings in Tarim Basin in the Xinjiang Uygur Autonomous Region in the past five years, but failed to prove the planned amount of oil reserves, which would affect the development of oil industry.

Despite the achievements China has made in energy industries in the past five years, Zhou warned that energy shortage would still be an important factor affecting the development of national economy in the years to come.

### Good Results Achieved in Oil, Gas Prospecting

OW0401191291 Beijing XINHUA Domestic Service  
in Chinese 0520 GMT 4 Jan 91

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 4 Jan (XINHUA)—China made marked results in its second phase general survey of petroleum and natural gas reserves. Major breakthroughs were made in prospecting recoverable petroleum and natural gas resources in areas covering millions of square kilometers. New petroleum and natural gas fields were either found or exploited in the East China Sea Basin, the northern part of Tarim Basin, the southern part of Songliao Basin, Henan's Tongming Region, Anhui's Taihe Region, the western part of north Jiangsu's Erduosi Basin, and Sichuan Basin, thus providing more petroleum and natural gas production bases for China's petroleum industry.

The second phase general survey of petroleum and natural gas reserves started in 1982. In order to switch the focus of its work to that of energy and geology, the Ministry of Geology and Mineral Resources defined new areas, fields, types, and depths as the main contents of the second-phase survey of petroleum and natural gas reserves. It mobilized and sent scores of thousands of workers and staff members, 50 drilling teams, and six earthquake teams to land and offshore basins in the East China Sea, Tarim, Sichuan, south Songliao Basin, Erduosi Basin, north China, Jiangsu, Zhejiang, Anhui, central Hubei, Guizhou, Turpan, and the South China Sea. The drilling teams were equipped with imported drilling machines capable of drilling wells of 6,000 meters or even 9,000 meters in depth. The earthquake teams all were equipped with advanced equipment for measuring earthquakes. Compared with the first phase survey of petroleum and natural gas reserves conducted in 1950's and 1960's, teams specializing in physical, chemical, aeromagnetic, and remote sensing surveys also had new equipment and lineups.

It was learned that during the second phase survey of petroleum and natural gas reserves, the first piece of good news was announced in April 1983, when the first high-yield natural gas in the East China Sea Basin was found. On the great expanse of the East China Sea, petroleum and natural gas wells with such beautiful names as "Pinghu" (Calm Lake), "Canxue" (Remaining Snow), "Yuquan" (Jade Spring), "Tianwanton"

(Heaven beyond Heaven), and "Baoyunting" (Rosy Cloud Tower) were consecutively built on the bottom of the sea. Among these wells, the Pinghu Number Four was found to have 24 layers of petroleum and natural gas with a thickness of 186 meters in the well section between 2,300 and 3,700 meters underground. This discovery confirmed part of the reserves in the Pinghu area. These prospecting results prove that there is great potential for tapping petroleum and natural gas in the East China Sea Basin.

Conquering Tarim in the west was another battle for the second phase survey of petroleum and natural gas reserves. In September 1984, a high-yield natural gas well was built above the Yakela (7161 0344 2139) structure in Kuqa County. Since then many new petroleum reserves were found in the new field of carbonate rocks in the north. Unlike the Daqing and Shengli Oil Fields, working conditions in the Tarim Basin are harder and its geological conditions are even more complicated. The average depth of wells is over 5,000 meters. In 1988, more oil-bearing formations were found in the Yakela structure. In addition, prospecting work on the Shayaxi (3097 7161 6007) structure also shows promises of petroleum and natural gas.

In 1989, Sha Number 14 well in the south Akekule area of Luntai County produced high-yield petroleum and natural gas, marking that the prospecting work in the north of Tarim Basin entered into a new stage. The geological teams from the China National Petroleum and Natural Gas Corporation also drilled high-yield wells on the Lunan (6544 0589) and Yingmaili (5391 6701 0500) structures. Tarim will play an important part in the future development of China's petroleum industry and national economic development because it is an important new area for the production of petroleum and natural gas in China.

Most regions in China have not yet been fully prospected, according to experts. However, in terms of geological conditions, it will be very difficult to find any other great oil fields with large, shallow reserves and simple structures. Other important prospect areas in China are complicated in geological and natural geographical conditions and the expenses for their explorations will be high.

A total of 126 items of important scientific research were done, including 52 items which won awards from the state and ministries, during the second phase general survey of petroleum and natural gas reserves in China. All these results played an important part in selecting possible petroleum and natural gas wells and in planning and evaluating the prospecting work.

### Increases Make PRC 7th Largest Coal Exporter

OW0601142691 Beijing XINHUA in English  
0737 GMT 6 Jan 91

[Text] Beijing, January 6 (XINHUA)—China exported more than 17.7 million tons of coal last year, an increase

of 16 percent compared with 1989, which made the country the seventh biggest exporter of coal in the world.

According to Wei Guofu, president of the China National Coal Import and Export Corporation, China earned 660 million U.S. dollars from coal exports in 1990, a growth of 19.8 percent over 1989.

The president said that with the rapid growth of coal output and improvement in coal quality, China has been increasing its coal exports year by year. Now it has exported coal to more than 20 countries including Britain, France, Italy, Holland and Japan, as well as to Hong Kong and Taiwan.

To guarantee the quality of export coal, the China National Coal Import and Export Corporation has set up six special bases producing quality export coal in Shanxi and Shandong provinces and has equipped these bases with advanced technology.

Moreover, the corporation has enforced strict examination procedures for export coal both in ports and coal mines before shipping them abroad.

#### **Longest Underwater Gas Pipeline Laid**

*OW0601122391 Beijing Central Television Program  
One Network in Mandarin 1400 GMT 4 Jan 91*

[From the "Night News" program]

[Text] The laying of the longest underwater gas pipeline in our country was completed recently in Bo Hai. The 48 km-long pipeline was laid for the purpose of supplying natural gas from underwater to the Jinxi City Chemical Fertilizer Factory in Liaoning Province. It is the first time that such a long-distance and heavy-duty underwater gas pipeline has been laid and towed ashore by the contingent of construction workers who relied on their own technology in China. The Bo Hai Petroleum Company under the China National Offshore Oil Corporation laid the first pipe in the deep water area of Liaodong Bay in June. The underwater pipeline and the pipeline laid ashore were connected on the surface of the sea on 20 December. The completion of the laying of this underwater pipeline signals that our country is already capable of laying long-distance and complicated underwater pipeline. [Video shows medium shot of hoisting machine on a wharf, then zooms in to show five workers wearing hard hats working at the lower section of the hoisting machine just above water level, slowly pans over the whole length of a section of pipeline with some workers welding it with a blowtorch, and cuts to show the hoisting machine, blowtorch, and welding again]

#### **World Bank Loans Total More Than \$9 Billion**

*HK0701121891 Beijing ZHONGGUO XINWEN SHE  
in English 1050 GMT 7 Jan 91*

[“Total of US\$ 9.5 Billion in World Bank Loans Utilized by China”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, January 7 (CNS)—China has over its ten years of opening up and reform made use of an accumulated amount of US\$ 9.5 billion in loans from the World Bank. The loans have been ploughed into the establishment and development of industries, transportation and energy resources and these have had a significant effect on the national economy.

Since the resumption of the granting of loans by the World Bank to China in 1981, China has started a total of 84 large-scale projects in water resources, forestry, railways, ports, roadways, energy resources and chemical industries with the cooperation and loans from the World Bank. These loans have greatly helped solve the acute lack of capital for construction and have been the means of the country being able to introduce a variety of advanced installations and the application of technical know-how.

The ports of Tianjin, Guangzhou and Shanghai have made use of World Bank loans to build container terminals of large throughput to relieve the restricted transportation facilities in these places.

The World Bank cut loans to China between 1989 and 1990, but the situation has recently improved. Three items have so far successfully won credit totalling US\$ 453 million from the World Bank. These items include agricultural development in the middle and upper courses of the Yangtze River, the fourth phase loan for the Agricultural Bank of China and rural enterprises development.

The World Bank has said that the use of loans by China has been the best of any borrowing country in the world and it hopes to see more items approved for China in the future.

#### **Statistics Bureau Releases Peasants' Income Figures**

*HK0601075491 Beijing NONGMIN RIBAO in Chinese  
6 Dec 90 p 1*

[Report by correspondents Sun Jiwei (1327 4949 0251) and Cheng Yun (4453 0061): “State Statistics Bureau's Report Shows Peasant's Average Income Is Expected To Reach 630 Yuan This Year”]

[Text] According to a report submitted by the State Statistics Bureau, incomes of Chinese peasants have increased thanks to the further deepening of the rural structural reform and the sustained and all-around development of the rural economy during the Seventh Five-Year Plan. The structure of their incomes has become rational and their living standards have further improved. However, the growth in peasants' average annual income has been slowed down, thus widening the gap between urban and rural areas.

During the Seventh Five-Year Plan, peasant incomes increased on the whole and the structure of their income became rational. According to statistics, the peasants' average annual income is expected to reach 630 yuan in

1990, an increase of 58.5 percent over 1985, an annual average growth of 4.6 percent (the actual annual growth is around 4 percent after deducting the factor of price hikes). The proportion of the peasant households whose per capita income was under 200 yuan dropped from 12.2 percent in 1985 to 4.7 percent in 1989, those earning an income between 200 to 500 yuan dropped from 65.5 percent to 42 percent, those earning an income between 500 to 1,000 yuan increased from 20 percent to 40.4 percent, and those earning an income over 1,000 yuan increased from 2.3 percent to 12.9 percent. Thanks to the rapid development of the rural economy, particularly the secondary and tertiary industries, and to the opening of various sources of incomes, the peasants' incomes from collective unified operation in 1989 increased by 69.5 percent over 1985 and their net income from household operation rose 53.2 percent. Of this, the proportion of the incomes from the secondary and tertiary industries in household operation rose from 18.2 percent to 24.8 percent. During this period, major achievements have been made in the reform of the rural income distribution mechanism. The average net income of the peasants of all localities increased by varying degrees. The basic coefficient of the peasants' income has exceeded 0.3 and the structure of their income is tending to become rational.

The peasants' consumption level was further upgraded during the Seventh Five-Year Plan. The peasants' average expenses for consumption increased from 317.4 yuan in 1985 to 535.4 yuan in 1989, an increase of 68.7 percent and an average growth of 14 percent. Of this, the expenses for food were 289.6 yuan in 1989, an increase of 58 percent over 1985. The Engel index dropped from 57.8 percent in 1985 to 54.1 percent in 1989. In housing, the peasants had an average of 5.5 rooms, covering an area of 17.2 square meters per household by the 1989 year-end period, an increase of 0.4 room and 2.5 square meters, respectively over 1985. The quality of housing further improved. The area of brick and wooden houses rose 24.9 percent and that of concrete went up 200 percent. In consumer goods, the amount of valuable goods purchased by peasant households in 1989 increased by a wide margin over 1985. In 1989, ownership of the "four major goods" per 100 peasant households increased by a wide margin over 1985, except for the decrease in ownership of radios. More and more peasant households now have modern, high grade electrical appliances, including radio cassette players, electric fans, washing machines, and television sets. Thanks to the increase in income in terms of currency, the commercialization rate of the peasants' consumption rose further. The proportion of commercial consumption in total expenses increased from 60.2 percent in 1985 to 68.6 percent in 1989.

While material life improved, the peasants' cultural life also improved somewhat and their productivity and education level was further upgraded. In 1989, per capita expenses for purchasing cultural items, books, and periodicals were 30.6 yuan, a 150-percent rise over 1985. Of every 100 laborers,

there were 22.6 illiterates or semiliterates, a drop of 19 percent from 1985; there were 38.7 peasants with primary education, up 4.1 percent; there were 31.49 who received secondary education, up 13.5 percent; and those who received polytechnic or college education rose by 55.2 percent and 50 percent, respectively.

The peasants' incomes continued to increase and their living standards further improved during the Seventh Five-Year Plan. However, there were fluctuations in the improvement in the peasants' consumption level and the actual consumption level of some peasant households dropped because of the rise and fall in socioeconomic development and inflation, which directly affected the peasant households who had the dual capacity of production and consumption. Compared with the Sixth Five-Year Plan, in which the peasants' living standards improved remarkably, the actual average net income of the peasants increased at an annual rate of 4 percent (after deducting the factor of price hikes) during the Seventh Five-Year Plan, a drop of 10 percentage points. The average incomes for living expenses rose by an annual rate of 11 percent, not only a drop of 4.1 percentage points, but also slower than the 5.5 percentage points of the urban inhabitants during the same period. As a result, the gap in incomes between the urban and rural inhabitants further widened.

To steadily increase the peasants' incomes, ensure continuous improvement in the peasants' living standards, and promote the sustained development of the rural economy, the State Statistics Bureau proposes the following: First, optimize the rural investment environment, ensure the peasants' investment returns, encourage the peasants to increase their material investment in agriculture, and guarantee more output of farm products. Second, establish a rational price system for agricultural and sideline produce, bring about a fundamental change in the irrational price ratios between industrial and farm products and the phenomenon of the farm produce prices that do not match product value, and enable the prices to stimulate the peasants' enthusiasm for expanded reproduction. Third, develop the rural market, promote market circulation, and allow more farm produce to flow into the market on the premise of ensuring the state's general demand. Fourth, earnestly alleviate the peasants' burden and check the practices of indiscriminate exaction of charges. Meanwhile, the improvement in peasants' consumption should be based on development of commodity production. We also should increase the peasants' sense of investment.

#### **Rural Savings Deposits Top 300 Billion Yuan**

*HK0601073591 Beijing NONGMIN RIBAO in Chinese  
10 Dec 90 p 1*

[Report by correspondents Tang Yuanjie (0781 0955 4814) and Zhao Zekun (6392 3419 3824): "Rural Savings Deposit Balance Tops 300 Billion Yuan"]



[Text] During a news briefing on 8 December, the Agricultural Bank of China announced that by 30 November China's rural savings deposit balance amounted to 302.4 billion yuan, an increase of 76.9 billion yuan over the balance recorded early this year, and this was 30 times as much as the figure in 1979.

The substantial increase in rural savings deposits has augmented the fund reserve of the Agricultural Bank and local credit cooperatives, and this in turn has served as a strong backing for agricultural production and helped bring about a bumper harvest. By the end of November, the credit balance of the Agricultural Bank of China and local credit cooperatives totaled 504.2 billion yuan, an increase of 92.7 billion yuan over the beginning of the year, which is a record increase margin in China. The increase in the credit balance is composed of an increase of 27.9 billion yuan in the agricultural loans, 12.3 billion yuan higher than the increase margin recorded during the corresponding period of last year; and an increase of 31.9 billion yuan in the loans for procurement of agricultural and sideline products, 17.3 billion yuan higher than the increase margin recorded during the corresponding period of last year. Both have hit an all-time high.

The rapid increase in the rural savings deposits within such a short period was the result of several factors: First, the commodity prices on the market have been kept under control, and the public purchasing mentality has remained stable. Second, the state has practiced a policy favorable to agriculture and increased input in agriculture; in the wake of an all-around bumper harvest, the peasants' income has been constantly increasing. Third, party and government departments at all levels have given support to agricultural production, and the press and such social organizations as trade unions and women's federations have extended much assistance as well. Fourth, the Agricultural Bank of China and local credit cooperatives have vigorously expanded their service networks and the variety of savings deposits, actively promoted quality service, and provided more convenience to depositors regarding savings deposits and withdrawals.

### **Growth of Rural Industrial Production Reported**

HK0701044791 Beijing CHINA DAILY in English  
7 Jan 91 p 1

[By staff reporter Wang Dongtai]

[Text] China's rural enterprises continued to develop in 1990 with an expected gross production value of 950 billion yuan (\$182.7 billion)—about 110 billion yuan (\$21.2 billion) more than in 1989.

The information came from Vice Agriculture Minister Chen Yaobang, who spoke highly of the achievements of rural enterprises over the past year, and called upon them to make greater contributions to the country's economic development in the new year.

Chen made the call in his speech on Saturday at the Great Hall of the People to the national conference on political education for rural enterprises.

At the conference, 102 rural enterprises and government agencies received awards for doing a good job in educating their workers with Party principles.

According to officials attending the meeting, the awarding ceremony was held in Beijing to encourage the moral behaviour of leaders of rural enterprises, and to assure them of the support of the Party and the government.

Chen said that rural enterprises in China are playing an increasingly important role in the national and rural economy.

In 1990, the gross production value of rural enterprises is expected to constitute 25 percent of the total gross production value of the nation, and 60 percent of the gross production value from the countryside.

Gross industrial production value made by rural enterprises is expected to reach 700 billion yuan in 1990, about 30 percent of the nation's total.

Exports by rural enterprises earned \$12.5 billion in 1990, about a quarter of the country's export earnings, the vice minister said.

China has a rural labour force of 400 million, the vice minister said. About 200 million was enough to work on farms, and rural enterprises absorbed a further 93 million. The remaining 107 million labourers could not find work in the countryside, he said.

Only through the development of rural enterprises could this surplus labour be absorbed, he said.

Development of rural enterprises in the past also contributed to the development of small towns. In 1978, China had 2,000 small towns but now there are 12,000, which had become the centre of political, economic and cultural activities.

The vice minister called on rural enterprises to turn farmers into a new kind of workers by organizing them to study politics, technique, management and trade.

### **Chen Junsheng Greets Agrotechnology Association**

OW0601193791 Beijing XINHUA Domestic Service  
in Chinese 1115 GMT 6 Jan 90

[Text] Beijing, 6 Jan (XINHUA)—The China Agricultural Technology Promotion Association was inaugurated today. Vice Minister of Agriculture Chen Yaobang was appointed president and former Minister of Agriculture He Kang chief advisor. State Councillor Chen Junsheng sent a letter to convey his sincere congratulations to all the members of the association, the vast numbers of agricultural scientists and technicians working at the front of promoting agricultural science



and technology, and the comrades who had shown concern for and supported the undertaking to promote agricultural technology.

He said: The undertaking to promote agricultural technology enjoyed rapid development and achieved marked successes in our country under the leadership of the party and with the support of the whole society, which showed its concern. The vast numbers of personnel engaged in spreading agricultural technology worked hard and made vigorous efforts to spread the achievements of agricultural science and technology, as well as advanced practical technology. This promoted scientific and technological advances and made outstanding contributions to agricultural development.

In the final analysis, China still has to depend on science and technology to achieve agricultural and rural economic development. Spreading the services offered by agricultural technology is a key link in the process of bringing about agricultural development with the aid of science and technology. The various kinds of agricultural technology promotion organizations and the vast numbers of service personnel working for the promotion of agricultural technology shoulder a glorious, but arduous task.

The work to promote agricultural technology involves vast areas in our country and entails a great amount of work. It is a comprehensive undertaking that is closely community oriented, and as such, needs the close coordination and concerted efforts of all relevant departments and branches of learning. It is hoped that the China Agricultural Technology Promotion Association will give full play to its role as a bridge and bond to organize forces in all quarters and make even greater contributions to having agriculture serve the needs of society, develop the rural commodity economy, and build new socialist rural areas.

#### **Agricultural Institutions Promote Agrotechniques**

OW0601000491 Beijing XINHUA Domestic Service  
in Chinese 0723 GMT 4 Jan 91

[By reporter Lu Yongkang (7773 3057 1696)]

[Text] Beijing, 4 January (XINHUA)—After the State Council issued its resolution a year ago on the reliance on science and technology to boost agriculture, and the intensification of efforts to promote agrotechnical achievements, the Ministry of Agriculture, the Agricultural Bank of China, the Ministry of Commerce, the Ministry of Water Resources, the State Meteorological Administration, the State Science and Technology Commission, and others have been working in concert to boost agriculture with science and technology by providing funds, materials, technology, and services.

The Ministry of Agriculture took the lead by launching a year of activities to promote science and technology nationwide, and lifting efforts to promote agriculture to a new height. The concrete steps they took were: 1) Expanding the program for promoting bumper harvests

in agriculture, animal husbandry, and fishery, including introducing planting technology covering 420 million mu, the raising of 54.125 million head of quality-breed livestock, and the cultivation of aquatic products covering 847,000 mu, all of which have met or overfulfilled their planned targets; 2) Drafting a program for promoting important new technologies of the state with the help of the State Science and Technology Commission, drafting a program to introduce 39 agrotechnical achievements in collaboration with the State Science and Technology Commission, and recommending jointly with the State Patent Bureau 16 patent technologies for agriculture, some of which have begun to raise output since 1990; 3) Intensifying efforts in scientific research to increase the technologies held in reserve, of which 194 received the Scientific and Technical Progress Awards of the Ministry of Agriculture in 1990 and 200 the National Bumper Harvest Awards for agriculture, animal husbandry, and fisheries; 4) Providing training on managing science and technology to 12,000 key personnel.

The promotion of agriculture with science and technology is inseparable from investment, and the Agricultural Bank of China is playing the role of catalyst in integrating technologies with production through its lending. According to sources, by the end of October 1990, the Agriculture Bank and rural credit cooperatives have extended farm loans totaling 104.2 billion yuan, nearly half of which was used to support efforts to boost agriculture with technology.

According to incomplete statistics from 14 provinces, autonomous regions, and municipalities, including Heilongjiang, Jilin, Liaoning, and Hebei, 3.732 billion yuan of credit were provided to the "Bumper Harvest Program," the "Spark Program," the "Food and Clothing Project," the "Food Basket Project," and others during the first half of 1990, up 52.2 percent from the same period a year earlier. The Agricultural Bank also placed emphasis on supporting the building of a science and technology service system. In addition, the Agricultural Bank also has allotted credit worth 300 million yuan for research and development since 1990, with emphasis on the promotion of agrotechniques and joint research with business ventures into technologies related to agriculture and agricultural services.

Throughout the past year, the supply of primary agricultural capital goods has been abundant, and generally met the needs for spring cultivation and farm production for the entire year. The supply of chemical fertilizers, pesticides, and plastic sheeting were also better than previous years. After the state established a monopoly for chemical fertilizers, pesticides, and plastic sheeting, the business sector, commodity price departments, supply and marketing units, and factories have worked together to straighten out the operation process. Confusion in the market was brought under control, making it possible to guarantee and proceed smoothly with the supply of materials needed for this year's efforts to boost agriculture with technology.

When everybody adds fuel, the flames rise. The Ministry of Water Resources and the State Meteorological Bureau also have been eagerly engaged in efforts to boost agriculture with technology during the past year. The Ministry of Water Resources organized and drafted a program for promoting water conservancy technology, and set up 100 pilot projects at the county level to promote them. On top of that, the ministry also set up a series of experimental and demonstration facilities for water conservation, upgrading of low-yielding farmland, and energy-saving pumping stations. In 1990, the State Meteorological Bureau, which always has insisted on primarily serving agriculture, once again enhanced its potential to serve agriculture with technology. It increased investment in order to do a better job in promoting achievements in the research of agro-meteorology, and also put emphasis on the training of scientists in this field.

#### **Water Diversion Benefits Lower Yellow River**

*OW0501111991 Beijing XINHUA in English  
0855 GMT 5 Jan 91*

[Text] Beijing, January 5 (XINHUA)—Water diversion projects along the lower reaches of the Yellow River have

generated an additional two billion yuan a year in agricultural output value in recent years, PEOPLE'S DAILY reported today.

According to statistics, the projects divert 12.49 billion cubic meters of water each year to 193,000 hectares of farmland in 104 counties and districts of Henan and Shandong Provinces, China's key grain and cotton production base.

For years, the Ministry of Water Resources and the two provincial governments have allocated increased funding, manpower and materials for the construction of water diversion projects.

As a result, the grain output in areas with irrigation facilities has increased by 3,000 kilograms per hectare a year, and ginned cotton by 600 kilograms per hectare, in comparison to other areas.

Supplied with water from the Yellow River, the Shengli and Zhongyuan Oil Fields, together with other key state projects along the lower reaches of the Yellow River, generate an industrial output value totaling 20 billion yuan each year.

The water diversion projects have also provided Qingdao City in Shandong Province with fresh water. The city's 710,000 residents had drunk salty water for centuries.

## East Region

### Anhui Committee Hears CPC Plenum Guidelines

OW0501185291 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 4 Jan 91

[From the "Provincial Hookup" program]

[Text] The provincial party committee convened a Standing Committee meeting on 2 and 3 January to relay, study, and bring about the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Comrades Lu Rongjing, Fu Xishou, Meng Fulin, Yang Yongliang, Liu Guangcai, Zhao Baoxing, Wang Shengjun, and Shao Ming attended the meeting. Responsible comrades from the provincial Advisory Commission, People's Congress Standing Committee, people's government, Chinese People's Political Consultative Conference Committee and Discipline Inspection Commission, including Wang Guangyu, Shi Junjie, and Hou Yong were present as nonvoting members. Comrade Lu Rongjing chaired the meeting.

At the meeting, Lu Rongjing, member of the CPC Central Committee; Fu Xishou and Yang Yongliang, alternate members of the CPC Central Committee; and Zhao Baoxing, member of the Central Discipline Inspection Commission, relayed the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Comrades at the meeting held serious and lively discussions.

The meeting unanimously supported the party Central Committee's suggestions for drafting the 10-year socioeconomic development plan and the Eighth Five-Year Plan adopted at the Seventh Plenary Session of the 13th CPC Central Committee. The participants all held that the suggestions profoundly sum up experiences since the Third Plenary Session of the 11th CPC Central Committee, and set forth the basic tasks, principles, and policies of China's socioeconomic development under the next ten-year plan as well as that of the Eighth Five-Year Plan. The suggestions systematically analyzed the domestic and international situation. The suggestions further define the second phase of the strategic goal, and outline the magnificent development blueprint for the next five and 10 years. The suggestions are a programmatic document for guiding us to build socialism with Chinese characteristics, and signifies that China's socialist modernization drive will enter a new stage of development.

The meeting noted: The goals to work for and bring to fruition are a doubling of the GNP, a moderately well-off standard of living for the people, and a substantial increase of our national strength in general by the end of this century. These goals have far-reaching significance. The realization of this strategic goal is related to the long-term peace and stability of the country, the well-being and happiness of the people, and the consolidation and evolution of the socialist system. We must harbor a strong sense of historic responsibility and urgency, clearly recognize the situation, galvanize ourselves, be of

one heart and mind, act in unison, and resolutely guarantee the implementation of the objectives, principles, and policies laid down by the central authority.

The meeting stressed: We must resolutely take the road of building socialism with Chinese characteristics; resolutely press ahead with reform and opening to the outside world; resolutely implement the guidelines for sustained, stable, and balanced economic growth; resolutely execute the principles of self-reliance, arduous struggle, and building the country through thrift and hard work; and resolutely implement the policies of building, simultaneously, a society that is both materially and culturally advanced. The suggestions are a summary of the experience in the past 10 years as well as the important guiding principles for building socialism with Chinese characteristics in the next 10 years. We must resolutely implement them.

The meeting called on party organizations at all levels in Anhui as well as every Communist Party member to make serious efforts to study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, to further heighten their awareness to implement the party's basic line, to uphold the four cardinal principles, to oppose bourgeois liberalism, to continue to reinforce party-building and incorruptibility, and to work hard to further mobilize the people of Anhui to actively take part in reform and development to successfully realize the second phase of the strategic goal in China's modernization drive.

The meeting also made specific arrangements and plans for relaying, studying, and implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee.

In his speech at the end of the meeting, Lu Rongjing stressed: The most important and urgent task for party organizations at all levels now is to quickly and firmly relay, study, and carry out the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee; to unify the thinking and understanding of the whole party through these guidelines; and to bring into full play the initiative from all sectors of society.

Lu Rongjing said: In relaying and studying the guidelines, we should carefully sum up our practical experience in the past 10 years since launching the reform and open policy and be good at studying the experiences of other areas as well as at summing up and spreading our successful experiences. Neither should we be arrogant nor should we be resigned to backwardness. We should strive to have a better understanding of the conditions of the province in order to enhance our confidence and enthusiasm. We should successfully carry out the guidelines in conjunction with reality.

Lu Rongjing stressed: We must pay attention to party building in implementing the guidelines of the seventh plenary session of the 13th party Central Committee. Once its fighting power is increased and leading bodies are strengthened, the party will be able to do a better job

in uniting and guiding party members, cadres, and the masses to industriously build socialism with Chinese characteristics and to successfully fulfill the 10-year plan and the Eighth Five-Year Plan.

He noted: There will be a future of great promise for Anhui so long as we unify our thinking and work out a plan for the future in line with the guidelines of the seventh plenary session of the 13th party Central Committee.

#### **Jiang Chunyun Meets With Party Branch Group**

*SK0501051491 Jinan Shandong Provincial Service in Mandarin 2300 GMT 4 Jan 91*

[Excerpts] On the morning of 4 January, the provincial report group to report on the advanced deeds of rural party branches across the province, which was organized by the Shandong Provincial CPC Committee, held its first report meeting in the auditorium of the party school of the provincial party committee. This report group was recently organized and established by the provincial party committee for the purposes of implementing the guidelines of the seventh plenary session of the 13th party Central Committee, further strengthening the building of rural party branches, and promoting rural reforms and the building of the two civilizations. This report group was formed by 11 rural advanced party branches and general party branches. [passage omitted]

On the afternoon of 4 January, leading comrades including Jiang Chunyun, secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; and Zhang Quanjin, Ma Zhongcai, and Tan Fude, members of the Standing Committee of the provincial party committee; cordially met with all members of the report group at Nanjiao Hotel and held a forum with them.

During the meeting, Jiang Chunyun first extended congratulations to these 11 rural advanced party branches of the report group for their great achievements on behalf of the provincial party committee. He expressed hope that all rural party branches throughout the province would study their advanced experiences and deeds, take them as examples, learn from the advances and find out where they are lagging behind, further strengthen the building of grass-roots party organizations, and promote the development of all undertakings in rural areas. Jiang Chunyun said: The recently-concluded seventh plenary session of the 13th party Central Committee was a very important meeting in our party history. The plenary session put forward the fighting objectives for the next 10 years and for the Eighth Five-Year Plan period and the basic guiding principles, and defined the emphasis, tasks, and measures for national economic and social development as well as the orientation and measures for deepening reform and expanding the scope of opening to the outside world. The grass-roots party branches and all Communist Party members throughout the province should display a role as the fighting bastions, vanguards, and examples in the course of studying and implementing the guidelines of the seventh plenary session of

the 13th party Central Committee, strive to perform all fields of work well this year, and greet the 70th party founding anniversary with their outstanding achievements in reforms and construction.

The provincial party branch advanced deeds report group will divide itself into two groups and will tour round all cities and prefectures in the province to give reports beginning on 7 January.

#### **Addresses Meeting of Cadres**

*SK0601092491 Jinan Shandong Provincial Service in Mandarin 2300 GMT 5 Jan 91*

[Text] From 4 to 5 January, the Shandong Provincial CPC Committee held a meeting of provincial-level party-member leading cadres to conscientiously study and implement the guidelines of the seventh plenary session of the 13th party Central Committee. Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, respectively presided over the meeting and relayed the documents of the seventh plenary session. Comrades attending the meeting conscientiously studied and discussed the guidelines of the seventh plenary session and they all held that this plenary session was an important meeting of profound significance in our party history. It was an important meeting for developing the next 10 years and mobilizing the whole party and the people of the whole country to struggle for realizing the second step of the fighting objectives. The suggestion of the CPC Central Committee on formulating the 10-year plan for national economic and social development and the Eighth Five-Year Plan adopted at the plenary session and the important speeches of Comrade Jiang Zemin and Li Peng fully affirmed the tremendous achievements in our country's reform and opening up over the past 10-odd years, scientifically summarized experiences, correctly analyzed the international and domestic situations, put forward the fighting objectives, major tasks, basic guidelines, policies, and measures for the next 10 years and for the Eighth Five-Year Plan period. They held that the suggestion and speeches fully manifested the party's ideological line of seeking truth from facts and that the suggestion and speeches are good documents combining the Marxist basic theories with the specific practice of China, and are the principles for guiding the actions of the people in reforms and construction during the 1990's. They all expressed that they completely supported these documents and pledged to take the lead in studying and understanding the plenary session guidelines and implementing them in their practical work.

At the end of the meeting, on behalf of the Standing Committee of the provincial party committee, Jiang Chunyun, secretary of the provincial party committee, offered six suggestions on how to do a good job in studying the seventh plenary session guidelines.

First, we should conscientiously relay and study the documents of the seventh plenary session well. At



present and in the days to come, all levels and all departments should concentrate their time and efforts on grasping the study of the documents of the seventh plenary session. Second, we should use the guidelines of the seventh plenary session to unify the thinking and understanding of party members, cadres, and masses across the province, particularly leading cadres at all levels, pay attention to grasping the key issues, conscientiously understand the essence of the guidelines, maintain close ties with reality, strive to combine theory with practice, and realistically unite our thinking with the guidelines of the seventh plenary session. Third, we should strengthen propaganda on the guidelines of the seventh plenary session, build up a propaganda momentum in a down-to-earth manner, strive to make the guidelines known to every household and person, translate the seventh plenary session guidelines into the voluntary actions of the broad masses of cadres, and establish a good practice in which every person pays attention to and works for the 10 years. Fourth, the province, various cities, prefectures and counties, all levels, and all trades and professions should formulate feasible and reliable plans in line with the spirit of the suggestion offered by the central authorities and based on their own environment. Fifth, we should consider the guidelines of the seventh plenary session as a strong impetus and use them to promote all current work. In implementing the guidelines of the seventh plenary session, the most important is to grasp implementation and to translate them into action. In carrying out the 10-year plan, we must pay attention to the achievements in the first five years. The success of the five years depends on the achievements of the first year. Successfully carrying out this year's work is of great significance in realizing the 10-year plan and the Eighth Five-Year Plan. 1) All levels and departments throughout the province should grasp economic work well and attach special attention to three tasks: It is necessary to step up efforts to grasp agricultural production in order to reap an all-around bumper harvest of summer grain and bumper agricultural harvest throughout the year; to guarantee a comprehensive development in the rural economy; and to consider raising economic results as a central task in industrial production, to deeply carry out the quality, variety, and efficiency of the year's activities, to try by all possible means to invigorate state-run large and medium-sized enterprises in particular, to actively develop the tertiary industry, and to make special efforts to expand the circulation channels and invigorate the market. 2) We should take active and reliable steps to promote reform and opening up, continue to deepen rural reforms, stabilize and improve the contract system, establish and perfect the socialized service system, and gradually expand the collective economy. Industrial and commercial enterprises should closely combine the work of implementing the second round of enterprise contracts with that of improving management, actively promote enterprise merger and cooperation, and gradually carry out large-scale and intensive production and operation. In opening to the outside world, we should enhance the sense of opening up of all the people and

make sufficient and good use of the central policies in order to achieve new progress in foreign export trade and the use of foreign capital, and in bringing in technology and running joint, cooperative, and foreign-funded enterprises. 3) We should continue to implement the principle that stability is an overriding task, and promote common understanding, unity inside and outside the party, improvements in party style and the general mood of society, and social stability through implementing the guidelines of the seventh plenary session. Sixth, we should do a good job in conducting investigations and study in line with the guidelines of the seventh plenary session. All levels and all departments should investigate and study one by one all the major issues affecting the whole situation, pinpoint some issues, and adopt measures to solve them.

Attending the meeting were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government and the provincial committee of the Chinese People's Political Consultative Conference, members of the Central Advisory and Discipline Inspection Commissions in Shandong, and provincial-level veteran comrades, a total of 120 persons.

#### **Zhu Rongji Inspects Housing Construction**

*OW0601000291 Shanghai City Service in Mandarin  
2300 GMT 3 Jan 91*

[From the "Morning News" program]

[Text] While inspecting the construction work in the (Zhongyuan) residential area on the morning of 3 January, Mayor Zhu Rongji stressed: Following a month's discussion on housing reform, citizens in the whole municipality have reached a consensus on the inevitability of housing reform. It is only through housing reform that the pace of housing construction in Shanghai can be quickened. Shanghai plans to build 25 million square meters of housing during the Eighth Five-Year Plan period, of which 4.5 million square meters must be completed this year.

Leading comrades from the municipal CPC committee and government who also inspected the (Zhongyuan) residential areas and encouraged construction workers there included Wu Bangguo, Chen Zhili, Gu Chuanxun, Ni Tianzeng, and Zhuang Xiaotian. After being briefed on the construction work in the (Zhongyuan) residential area, Zhu Rongji delivered an important speech on the issues of housing reform in Shanghai. Other municipal leaders, including Wu Bangguo and Chen Zhili, also spoke.

The (Zhongyuan) residential area is composed of [words indistinct] with a total construction area of 2.5 million square meters, of which 1 million square meters have been completed. Starting this year, 500,000 square meters of housing will be built each year. After the entire project is completed in three years, the whole residential

area, which is around the size of a medium-sized city, will be able to accommodate 200,000 citizens. At present, construction enterprises under the municipal construction management bureau and the municipal housing corporation are stepping up the construction work in the (Zhongyuan) residential area.

In the early morning yesterday, Zhu Rongji and other leaders first visited the (Zailu) house-building headquarters to encourage the construction workers who are building residential houses near [words indistinct]. When informed that 300,000 square meters of residential housing near [words indistinct] were basically completed in a nine-month period, the mayor expressed great pleasure. He said: At that speed, there is great hope for housing construction in Shanghai. He stressed, however, that completing housing construction is not enough. It is only when there are no leaks in the house after the occupant has resided in it for a year that the house can be considered to have been formally checked and accepted. There also should be a one-year guarantee that newly completed houses will be free of repairs.

After finishing their inspection of completed construction of schools and other buildings, Mayor Zhu and his party visited a citizen's residence at No. 63, Lane 382, on (Kailu) Road and a just completed house with a large living room and small bedrooms. He expressed the hope that architects will show ingenuity by designing houses of different styles and create a comfortable and excellent living environment for citizens.

#### Shanghai Committee Studies CPC Plenum Guidelines

OW0501154491 Shanghai City Service in Mandarin  
2300 GMT 4 Jan 91

[From the "Morning News" program]

[Text] The Standing Committee of the Shanghai Municipal CPC Committee yesterday [4 January] held a meeting to convey, study, and discuss the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Zhu Rongji, secretary of the municipal CPC Committee, presided over the meeting.

The meeting unanimously supported the "Proposals of the CPC Central Committee for Drawing-Up the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" discussed at and adopted by the plenary session, and unanimously supported the important speech made by Comrade Jiang Zemin and the explanation made by Comrade Li Peng of the draft proposals.

The participants held that the seventh plenary session was a meeting of great historic significance. It comprehensively summed up the tremendous achievements our party and country scored and the valuable experience gained in reform, opening up to the outside world, and modernization in the 1980s; it set forth the objectives to be achieved, the basic guidelines, the focal points, tasks, and policies of economic and social development in the

coming 10 years and during the Eighth Five-Year Plan period as well as the arrangements and measures for deepening reform of the economic structure and for opening wider to the outside world; and pointed out the direction for socialist modernization in our country by the end of the century.

The meeting stressed: The proposals put forward by the party Central Committee indicate that socialist construction in our country is about to enter a new phase of development. As such, we must earnestly implement the guidelines of the seventh plenary session in line with the actual situation in Shanghai. In line with the strategic goal of vitalizing Shanghai, developing Pudong, serving the whole nation, and orienting our work to the needs of the world, we must further step up party building, promote spiritual civilization, implement economic improvement and rectification well, speed up reform, open wider to the outside world, unite with all the forces that can be united, bring every positive factor into play, and spare no effort in vitalizing Shanghai's economy. The meeting participants said: Economy is the foundation. Only after the economy is developed will there be stability in society, improvement in the people's livelihood, and a material foundation for the development of the other undertakings. At no time should we slacken our efforts in the central task of economic development. All our work must serve and be subordinated to this center.

The meeting decided to hold the 11th plenary session of the fifth municipal CPC Committee on 7 January to convey and study the guidelines of the seventh plenary session of the CPC Central Committee and to discuss and examine the proposals of the Shanghai Municipal CPC Committee for drawing-up of the 10-year program and the Eighth Five-Year Plan, the outline of the work of the municipal CPC Committee in 1991, and other documents.

The meeting urged party organizations at all levels in the city to earnestly study the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, reach a common understanding, pluck up their spirits, immerse themselves in hard work with one heart and one mind, and overcome difficulties to create a new situation in all undertakings.

#### Li Zemin, Liu Feng on Antipornography Work

OW0401060591 Hangzhou ZHEJIANG RIBAO  
in Chinese 16 Dec 90 p 1

[Text] Our provincial "antipornography" struggle has registered marked achievements. However, it is only a good beginning. Various localities should foster a concept of making unremitting efforts and carry on this "antipornography" struggle persistently and in depth. It is necessary to take concerted action on "cleaning up pornography" this winter and next spring. This requirement was set by Li Zemin and Liu Feng, secretary and deputy secretary, respectively, of the provincial party committee, at a provincial "antipornography" telephone meeting yesterday.

Vice Governor Li Debao chaired the meeting. On behalf of the provincial party committee and government, Liu Feng, deputy secretary of the provincial party committee, put forward specific plans for the "antipornography" campaign this winter and next spring.

Since August 1989, cities and villages throughout our province have launched the "antipornography" struggle in an all-around manner. Joint efforts by the leaders and the relevant departments at various levels, as well as by the broad masses of the people, have effectively restrained the rampancy of pornographic materials, and have registered marked achievements. As of the end of August 1990, the whole province had seized, sealed up, and banned more than 470,000 pornographic books, magazines, and other illegal publications; seized more than 150,000 obscene and illegal videotapes and audiotapes; banned more than 1,300 places involved in the wholesale or retail of pornographic items in violation of laws and regulations; investigated and handled 3,610 cases and more than 11,700 criminals according to law; and uncovered 296 gangs disseminating pornographic materials and meted out sentences to 203 persons. Problems in major areas where pornography had been spread to a rather serious extent, such as Leqing County's Beibaixiang town and Cangnan County's Jinxiang town under Wenzhou City, were thoroughly investigated; most cases of "producing or marketing pornographic items" were handled. At present, public opinion has preliminarily formed in the province that "it is a shame to indulge in pornography, a crime to sell pornographic items, an honor to reject pornography, and a meritorious service to wipe out pornography." At the same time, the "antipornography" campaign has promoted literary and artistic prosperity. Various localities actively have held cultural and artistic festivals, theatrical shows, and low-priced opera performances with strong local characteristics. While enlivening the masses' cultural lives, these activities also have stimulated local economic development.

During the "anti-pornography" struggle in the earlier stage, various localities had accumulated a great deal of good experiences. For instance, key leaders of the party and government personally assumed command in the struggle, and various relevant departments made concerted efforts to carry out the struggle. The "antipornography" concept was imprinted in the people's minds through the extensive mobilization of the masses. Efforts were concentrated on solving problems in key areas where "pornography was rampant." The "antipornography" struggle was organically combined with the efforts to "get rid of the six vices," "dealing severe blows to criminals," and conducting education in socialist ideology. It was necessary to strictly grasp and implement policies and to combine firmness with aptness and leniency with severity. Concerted efforts should be made by society as a whole and individual units to conduct investigative work. Attention was paid to the cultural market as well as to stopping the "sources of supply."

After summarizing the major achievements and basic experiences in our province's "antipornography" struggle

over the past year, Liu Feng pointed out: The "antipornography" work in the earlier stage did not develop evenly. Pornography was not conscientiously wiped out in some localities, particularly in villages, towns, and remote areas. Quite a large volume of "pornographic materials" is still scattered among some units and individuals. Some clandestine activities including "making and selling pornographic items" have not yet been uncovered or cracked down. Some criminals have yet to be arrested and brought to justice. Meanwhile, subsequent to the launching of the "antipornography" struggle, new problems cropped up. Criminal activities in "making and selling pornographic items" in some areas went from the open to underground, from overt to covert, or from cities to rural areas. A trend of "resurgence" of illegal publications has occurred; methods are more tricky; and smuggling activities are rampant, and many of involve trafficking in pornographic materials. Furthermore, a handful of criminals even risked danger in desperation and committed crimes. If no strong measures are taken to solve such problems, pornographic materials will spread again. We must not take this lightly.

Liu Feng said: The party Central Committee has called on various localities to take concerted action to "clean up pornography" this winter and next spring. This suits Zhejiang's actual conditions perfectly. We must resolutely implement this call. The provincial party committee and government have decided that the our province's principle for concerted action in "cleaning up pornography" this winter and next spring is as follows: It is necessary to stop the sources of pornography, uncover various covert spots, and clean up untouched corners. Concerted action is to be taken in clearing the way to strengthening regular control. The major points are: 1) It is necessary to extensively mobilize the masses through propaganda and education to create an "antipornography" momentum among all the people; 2) it is necessary to stop the sources and circulation of pornographic materials, "nip in the bud," and further check and rectify the cultural market; 3) it is necessary to make thorough investigations and resolutely hit hard at those who have committed crimes; 4) it is necessary to clean up libraries and seize "pornographic materials" still circulating among individuals.

Liu Feng called for in-depth, concerted action. It is necessary to continuously combine the "antipornography" struggle with the efforts to "get rid of the six vices" and "deal severe blows to criminals"; with education on the party's basic line in the rural areas; with enterprises' education on the situation and tasks; with rectification of unhealthy tendencies in industries; with the efforts to tackle problems in a comprehensive way; with the efforts of society and individual units to clean up pornography; and with the promotion of literary and art prosperity. Great efforts should be made to achieve good results.

Liu Feng stressed: While concentrating efforts on cracking down on pornography, we should strengthen regular control in order to consolidate the results of the "antipornography" struggle. It is necessary to seriously continue screening and rectifying enterprises publishing



books, newspapers, and magazines and sort them out. Full preparations should be made to curtail the number of audio-visual units and consolidate them. It is necessary to further strengthen regular and systematic control over the markets of books, newspapers, magazines, audiotapes, and videotapes. We should establish or strengthen offices at various levels to take charge of the markets of cultural materials as well as administrative organizations at various levels to take control of the markets of audiotapes and videotapes. We should also establish city press and publication bureaus in Hangzhou, Ningbo, Wenzhou, and Jinhua, where the conditions are ripe for doing so, to further strengthen regular control over newspapers, magazines, books, and printing.

Li Zemin, secretary of the provincial party committee, spoke at the meeting. He urged party and government leaders at various levels to continue enhancing their understanding of the significance of persevering in the "antipornography" struggle; to correctly handle the relations between concerted action in "cleaning up pornography" and regular control; to handle well the relations between "cleaning up pornography" and promoting the thriving of literature and art; and to earnestly do well in organizing and leading this concerted effort. At the same time, we should provide more and healthier spiritual food during the period of New Year's Day and the Spring Festival so that the masses may have a cheerful, harmonious, and civilized festival. Zhou Zugeng, director of the Zhejiang Provincial Press and Publications Bureau, transmitted the guidelines laid down by a national "antipornography" conference.

### Northeast Region

#### Quan Shuren Addresses Meeting of Cadres

SK0701022091 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 5 Jan 91

[Text] On 3 and 4 January, the provincial party committee held a meeting of party-member leading cadres at and above the deputy provincial level who were living in Shenyang to relay the guidelines of the seventh plenary session of the 13th party Central Committee. Attending were principal leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government, and committee of the Chinese People's Political Consultative Conference, and responsible comrades of pertinent departments, totaling more than 100 persons.

At the meeting, Comrade Quan Shuren relayed the important speech given by Comrade Jiang Zemin at the seventh plenary session of the party Central Committee; Comrade Chen Suzhi relayed the explanation given by Comrade Li Peng on the CPC Central Committee draft proposals for drawing up the 10-year program and the Eighth Five-Year Plan for national economic and social development; and Comrade Sun Qi relayed the CPC Central Committee proposals for drawing up the 10-year

program and the Eighth Five-Year Plan for national economic and social development.

On 4 January, the participating comrades held an earnest and animated discussion. They unanimously agreed that as an important meeting to usher in the next 10 years, the seventh plenary session of the 13th party Central Committee is extremely significant in our current effort to uplift spirit, overcome difficulties, and successfully perform our work. It is significant in realizing the second strategic goal for the national economic and social development in the 1990's, in continuing to promote the cause of building socialism with Chinese characteristics, and in ensuring that our country and our nation become strong and prosperous in the early 21st century.

During the discussion, the participating comrades also said: The next 10 years constitute a very crucial period in the historical process of China's socialist modernization. This will be decided by the current domestic and international situations. Whether or not we can consolidate and develop the achievements made in the 1980's and greatly facilitate economic development and social progress will directly affect the success or failure of China's socialist system and its future and destiny.

Based on our province's actual conditions, the participating comrades said that first of all, it is necessary to do a good job in relaying the documents of the seventh plenary session of the party Central Committee, organize the people throughout the province to study them well, and unify the thinking of the entire party in line with the plenary session's guidelines. They analyzed Liaoning's situation, agreeing that although our province's economy faces numerous difficulties, we should see achievements. Our province's 10-year reform yielded great results, and the Seventh Five-Year Plan was fulfilled ahead of schedule. This has laid a solid foundation for Liaoning's economic development. At present, through studying the documents, we should enhance our sense of responsibility and mission and uplift our spirit to make a success of the work in various fields.

Quan Shuren, secretary of the provincial party committee, presented several opinions at the meeting on implementing the guidelines of the seventh plenary session of the party Central Committee. He said: Whether or not we can seize the opportunity and meet the challenges, it is very important to push economic construction forward, concentrate efforts to invigorate large and medium-sized state enterprises, and improve their economic efficiency. Meanwhile, we should strive to bring agriculture up to a new level in the Eighth Five-Year Plan period and strengthen its infrastructure. Through investigations and study, we should properly solve the problems concerning the industrial composition. We should further deepen reform and expand opening up, expedite the opening of Liaodong peninsula to the outside world, pay attention to the popularization and application of new technology, and promote the development of new and high technology.



Quan Shuren emphasized: We should unfailingly attend to the two civilizations simultaneously, conduct well the education on adherence to the four cardinal principles, achieve success in the struggle to oppose bourgeois liberalization, and pay attention to education on socialist theories.

Quan Shuren also pointed out: We should pay attention to the building of the party itself, consider the training of successors to the socialist cause a strategic basic task, and successfully improve the leading bodies at various levels. We should continue to improve the party style and way of thinking and persistently carry out practical work for the masses.

The participating comrades pledged that, with a strong sense of historical responsibility and urgency of the era, they would respond to the call of the party Central Committee with Comrade Jiang Zemin as the core, conscientiously study and implement the guidelines of the seventh plenary session of the 13th party Central Committee, uplift spirit, make concerted efforts, work hard and conscientiously, and strive to fulfill the 10-year program and the Eighth Five-Year Plan.

### Northwest Region

#### Gu Jinchu Outlines News Work Tasks at Forum

HK0701053391 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 3 Jan 91

[Text] Yesterday afternoon, provincial party committee Secretary Gu Jinchu and Deputy Secretary Lu Kejian invited responsible comrades of a total of 62 news units, including provincial, Lanzhou City, and central-level news units stationed in Gansu, to a forum, at which both of them relayed the spirit of the 13th party Central Committee's seventh plenary session and made important speeches on how to successfully carry out propaganda and reporting work in the first quarter of this year.

At the forum, (Zhou Guohua), director of the Lanzhou Branch of the NEW CHINA NEWS AGENCY; (Lan Yunfu), chief editor of GANSU RIBAO; (Huang Pubin), director of the provincial radio and television department; (You Jiyao), director of the provincial broadcasting station; (Hai Fei), director of the provincial television station; (Liu Zhanlin), director of the Gansu Correspondents' Center under the Central People's Broadcasting Station; and other responsible comrades summed up their last year's propaganda and reporting work and elaborated on their work plans for this year.

Gu Jinchu relayed the spirit of the 13th party Central Committee's seventh plenary session and talked about the steps our province is to take in respect to studying and implementing the spirit of the 13th party Central Committee's seventh plenary session. He pointed out: News units must formulate propaganda and reporting plans for the first quarter of this year in accordance with the spirit of the arrangements made by the central

authorities as well as the arrangements made by the provincial party committee.

Comrade Gu Jinchu said: First, it is necessary to publicize, through various forms, the spirit of the 13th party Central Committee's seventh plenary session, this being the focal point of our propaganda and reporting work in the first quarter of this year. To this end, it is necessary to guide the broad masses of cadres and people to unify understanding, brace up, and strengthen confidence and morale. With regard to propaganda contents, we must stress the main points, fully affirm the achievements scored in the 1980's, publicize successful experiences of economic construction, correctly view current domestic and international situations, clearly define development orientation and goals for the 1990's, put forward clearly defined guiding ideology, goals, and tasks for the future development of our province.

Second, it is necessary to closely integrate the publicization of the spirit of the seventh plenary session with the provincewide studying, discussion, and mobilization activities, carry out studying and discussion activities in light of the actual conditions, on a grand and spectacular scale, and in a down-to-earth manner, and try to really mobilize the enthusiasm of all.

Third, news and propaganda work must aim at summing up and publicizing good model experiences, for good model experiences are the most convincing examples. Special efforts must be made to grasp a batch of models in light of the hot-spot and thorny problems among the masses with a view to solving in-depth ideological problems among the people and masses and unifying people's ideology in accordance with the spirit of the seventh plenary session.

Fourth, news reporting work must adhere to the principle of mainly positive propaganda.

Fifth, it is necessary to greatly develop the fine traditions and styles of news work. In the past, provincial and central-level news units stationed in Gansu did a lot of valuable work in respect of publicizing the party's principles and policies, publicizing Gansu, and publicizing our provincial work. I hope that all the comrades will further develop these achievements and raise work standard to a higher level.

Comrade Gu Jinchu finally talked about some questions to which, he said, propaganda work must pay close attention.

Provincial party committee Deputy Secretary Lu Kejian and provincial party committee Propaganda Department Director Yao Wenchang also delivered speeches at the forum.

**Inspects Lanzhou Chemical Plant**

*HK0701063491 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 3 Jan 91*

[Excerpts] Yesterday morning, provincial party committee Secretary Gu Jinchu inspected Lanzhou Petrochemical Plant and Lanzhou Chemical Industry Company. [passage omitted]

Gu Jinchu went to see staff and workers, carried out investigations on the spot, and asked about the production situation.

He also listened to reports made by responsible persons of the two units on ideological and political work, production, and livelihood of staff and workers and on some other aspects as well.

After listening to the reports, Comrade Gu Jinchu said: Lanzhou Oil Refinery and Lanzhou Chemical Industry Company are backbone enterprises of our province. Even with their obsolete and backward equipment, they have provided quality products to the state and Gansu Province, trained a large number of qualified personnel, and successfully ensured their own development.

Gu Jinchu said: Our province has reaped good agricultural harvests for eight successive years. Nevertheless, many factors restricting agricultural development still exist. For instance, we have not yet solved the problem of feeding people in some of our remote areas. The key to solving the grain problem lies in water and fertilizer. I hope that Lanzhou Chemical Industry Company will increase its supply of chemical fertilizer and farm-oriented plastic film in 1991 to make greater contributions to the state and Gansu Province.

### **Democratic Party Chairman on Taiwan's Investment**

OW0601042591 Beijing XINHUA Domestic Service  
in Chinese 1148 GMT 5 Jan 91

[Text] Beijing, 5 Jan (XINHUA)—Cai Zimin, chairman of the Central Committee of the Taiwan Democratic Self-Government, contributed an article to the interview series "Bid Farewell to Last Year, Usher in the New Year, and Talk on Exchanges." In it, he wrote about a new surge of investment on the mainland by Taiwan businessmen. Through his actual inspections, meetings, and from what he saw and heard in Xiamen, Guangdong, and Hainan, Cai Zimin wrote about the marked investment increase from Taiwan in those areas, the rise of personal contacts between the two sides of the strait, and the further development in exchanges. The article noted that foreign and Taiwan enterprises now crowd the Huli Industrial Zone in Xiamen. Investment projects started by Taiwan businessmen in the newly opened Xinglin Investment Zone for Taiwan Businessmen now number 52, with total investment exceeding \$200 million. Last year, Guangdong saw a sharp flow of capital from Taiwan. The contracted amount signed by businessmen from Taiwan in nine months of last year reached \$180 million, more than doubling the figure of the same period in 1989. Hainan has become a new focus of investment by Taiwan businessmen. Because of the improved investment environment, many businessmen from Taiwan inspected Hainan last year, and registered 35 out of the 72 Taiwan enterprises now in Hainan.

When analyzing the new characteristics of the investments by Taiwan businessmen on the mainland, Cai Zimin noted that Taiwan businessmen are now beginning to shift their attention from southern China to northern China. Some Taiwan businessmen also plan to turn from short-term to long-term investment. In the past, most businessmen from Taiwan were individual investors; now it is not uncommon to see dozens of Taiwan enterprises grouped in an investment. "Enclave investment" has now become the common type of investment by Taiwan businessmen.

Citing the estimate of Taiwan's "Central Bank of China," Cai Zimin said that capital flow through various channel from Taiwan to the mainland might have exceeded \$5 billion last year.

### **Symposium on China's Reunification Viewed**

HK0701064391 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 26 Dec 90 p 5

[Report by correspondent Zhai Xiangqian (5049 6272 0051): "The Taiwan Research Society Invites Beijing Scholars To Discuss Relations Between Taiwan and the Mainland"]

[Text] 24 Dec (RENMIN RIBAO)—As 1990 is about to come to an end, the Taiwan Research Society invited over 30 experts, professors, and relevant people to the

Symposium to "Review Taiwan's Situation Over the Past Year and Forecast Its Future."

Scholars at the symposium were positive in their speeches. They said: New changes have occurred in the relations between the two sides of the strait; and there has been new progress in various aspects of exchange. Personnel exchanges have increased considerably. Indirect trade across the strait and investment in the mainland by Taiwan compatriots have increased. Cultural, academic, and sports exchanges have become more frequent. There has been a major breakthrough in the "three links." The "three no's" policy, which the Taiwan authorities stubbornly pursue, meets with various difficulties. The exchanges between the people of both sides have become an irresistible historical trend that is promoting the motherland's peaceful unification.

There is no change in Taiwan Kuomintang's [KMT] fundamental stand of opposing the Communist Party and refusing a reconciliation. However, because of the development of the situation and pressure from people on the island, they have strategically modified their mainland policy. Since October, for their mainland policy, the Taiwan authorities have established three special organizations. Taiwan authority sources said that "in the process of China's reunification, talks are unavoidable," and that the "National Reunification Committee" has also formulated the so-called "Program for China's Reunification." At the same time, however, the Taiwan authorities claimed that the "three no's policy" has not changed, gave no assent to talks between the KMT and CPC on an equal footing, and proposed some preconditions, thus continuing to place obstacles to peace talks.

The scholars held: Since the beginning of the year [1990], the KMT has been making major readjustments in its upper-stratum power structure. Factional struggles within the KMT and the trend of political diversification have been developing. The political power of various factions has quickly been subdivided among "smaller factional groups." The struggle between the government and opposition parties, especially between the KMT and the Democratic Progress Party, has been intensified. Taiwan's "political reform" has recently developed into the "reform in the Constitutional System," and the struggle among various political forces over the "Constitutional System" is intricate.

The symposium also saw that this year the "Taiwan independence" voice has been continuously surging again on the island. Some new characteristics have appeared, namely the use of non-violent means and the so-called "legal means" with the help of massive cultural propaganda to publicly propagate "Taiwan independence" ideas; forces on and outside the island have closely collaborated with each other and support each other, and their activities have become organized and turned into action. After analyzing the internal and



external factors of the drastic upsurge of "Taiwan independence" ideas, the experts said that "Taiwan independence" activities will only harm the harmonious atmosphere between the two sides of the strait, endanger the reunification of the motherland, and greatly disappoint vast numbers of people. If they are not going to shift gear quickly, they will definitely run into trouble on the road of history.

Scholars at the symposium also reviewed Taiwan's economic situation over the past year, maintaining: After more than four years of relatively quick growth rates, Taiwan's economy has begun to show signs of slow growth or even a recession this year. Exports have not improved, industrial output has decreased, the stock market has fluctuated vexingly, commodity prices have increased considerably, the investment environment has worsened, the investment desire has remained weak, and capital has flowed out in large quantities. Many people believe that the difficulties in Taiwan's economy cannot be overcome within a short period of time, and that it will be difficult for Taiwan's economy to improve next year.

Since the beginning of this year, the Taiwan authorities have continued the "flexible diplomacy" and the "practical diplomacy" in an attempt to pull themselves out of the world's isolation and to expand their scope for activities. Using money as the bait, they have roped in, and bought off some countries. The experts pointed out that by pursuing the "practical diplomacy," they have virtually fabricated "two Chinas," or "one China, one Taiwan," adding new complicated factors to the motherland's reunification. Since the beginning of the year, the PRC has established or resumed diplomatic relations with Saudi Arabia, Indonesia, Singapore, and the Marshall Islands, thus dealing a heavy blow to the Taiwan authorities' "practical diplomacy."

Scholars at the symposium stressed unanimously that the great task of reunifying China is the common hope and demand of the Chinese people at home and abroad, and that the historical trend of peaceful reunification is irresistible at all. We hope that compatriots on both sides of the strait will be one of mind and work together for the reunification of the motherland at an early date.

#### **Sports Official on More Exchanges With Taiwan**

*OW0501213591 Beijing XINHUA Domestic Service in Chinese 1210 GMT 4 Jan 91*

[Text] Beijing, 4 Jan (XINHUA)—China's Olympic Committee Chairman He Zhenliang spoke with full confidence when asked about new year prospects for sports exchanges between the two sides of the strait. He expressed the hope that athletes from both sides of the

strait would increase contacts and cooperation, make joint efforts so that the Chinese nation may play a greater role in international sports, and bring greater honors for the Chinese nation.

The special interview with He Zhenliang by a reporter of the Voice of the Strait was aired in the program of "Say Goodbye to Last Year, Usher in the New Year, and Talk About Exchanges."

He Zhenliang said: We witnessed another new and gratifying development in sports exchanges between the two sides of the strait in 1990 following a breakthrough in 1989. Last year, a record 13 delegations and teams with 1,545 members from the Taiwan area took part in competition and training on the mainland. Particularly worth mentioning is that the Taiwan area sent a large sports delegation to attend the 11th Asian Games in Beijing, which helped raise sports exchanges between the two sides of the strait to another high level.

He Zhenliang held that the 11th Asian Games and other sports exchanges between the two sides of the strait played a very important role in promoting sports exchanges between the two sides of the strait, in jointly developing sports of the Chinese nation, and in deepening the feelings between compatriots on both sides of the strait.

He expressed the hope that Taiwan authorities would proceed from overall national interests, go with the tide and people's feelings, dismantle artificial obstacles as soon as possible, and realize bi-directional sports exchange as early as possible, so that a new stage may begin in sports exchanges between the two sides of the strait.

#### **Taiwan TV Company To Broadcast Mainland Program**

*OW0501122691 Shanghai Voice of Pujiang in Mandarin to Taiwan 1000 GMT 4 Jan 91*

[Text] Taiwan's GONGSHANG SHIBAO [INDUSTRIAL AND COMMERCIAL TIMES] reported that the (Weilai) Company, an affiliate of the (Hexin) Group, in cooperation with China's Central Television Station, will start daily reception of a 20-minutes of mainland programming beginning 1 January, via the satellite channel of Japan's (OWT) company. The program will then be transmitted to subscribers through members of the Community Television Association. The report says that in this way a mainland television program will cross over the sea and reach Taiwan.

The executive of the company said the time slot for the 20-minute program will be from 2040 to 2100 daily. The Central Television Station will air the China Travel program.

**'Nonessential' Personnel To Leave Middle East**

OW0601034691 Taipei International Service  
in English 0200 GMT 5 Jan 91

[Text] The Foreign Affairs Ministry said on Friday [5 January] that, before 7 January, the ROC [Republic of China] evacuate [as heard] all nonessential personnel and their families from the Middle East. As to the number of people to be evacuated, the ministry is still investigating the exact number of ROC nationals left in the region. The ministry said that assisting these people on purchasing plane tickets to return to Taiwan is no problem. According to a rough statistic, the number of ROC workers and their families to be evacuated prior to the seventh is approximately 951 persons. If all the persons are to be evacuated at once, specially-chartered China Airline planes will be sent to pick them up.

**Fang Lizhi Describes Mainland Labor Camps**

OW0701080091 Taipei CNA in English 0325 GMT  
7 Jan 91

[Text] Bonn, Jan. 6 (CNA)—Fang Lizhi, a leading Mainland Chinese dissident, said Saturday in Dortmund University in Germany that there are nearly 1,000 labor camps on China mainland and among the prisoners at least one tenth are political prisoners.

Fang, who left China mainland last summer and was doing research in Cambridge in Great Britain, talked to Chinese students from Mainland China as well as Taiwan during his visit to Germany in early January. He met the students in Munich, Stuttgart and Dortmund and exchanged views with them regarding the human rights condition on China mainland and the prospects for democratization.

Fang said that having stayed overseas for half an year, he noticed that the human rights condition on China mainland was rarely known abroad. He pointed out that to promote more concern by the international society over the human rights situation on China mainland, it is necessary to make serious research into the situation and provide solid evidence for the international evaluation.

The professor said that he left Mainland China mainly because of the support of the international society which he counts on very for the improvement of human rights condition on China mainland. In addition to his academic research he has pledged himself to dedicate his efforts to the improvement of human rights condition on Mainland China.

Fang and his wife will leave for the United States Jan. 7. They planned to stay in Princeton University for one year. In addition to his research work in Princeton University, Fang will have a very tight schedule in 1991 for various speeches and symposia for the promotion of human rights on China mainland.

**Taiwan Vice Premier Urges PRC To Show Goodwill**

OW0501164991 Taipei CNA in English 1600 GMT  
5 Jan 91

[Text] Taipei, Jan. 5 (CNA)—If communist China wanted to show good will to the Republic of China [ROC] on Taiwan, it should take at least three steps, a ranking government official said Saturday.

Vice Premier Shih Chi-yang, in his capacity as chairman of the Mainland Affairs Council told a Legislative Yuan committee that Peking has so far failed to respond positively to Taipei's gesture of good will.

He was referring to President Li Teng-hui's statement that the Republic of China Government will declare an end to the "period of communist rebellion" next May, a move that will formally end the state of war between Taiwan and the mainland.

Fielding questions from legislators, Shih said that the Chinese Communists should at least adopt three measures to show its good will.

First, he said, Peking should stop preventing Taipei from joining the General Agreement for Tariffs and Trade (GATT) and stop insisting that Taipei should follow Peking to join the GATT.

Communist China should also give up its attempts to isolate Taiwan so that Taipei can play an active role in the world [word indistinct] under its one-China policy, Shih said.

Moreover, he noted, Peking should promise not to take military action against Taiwan.

**DPP Members To Join Mainland Affairs Council**

OW0701122891 Taipei Domestic Service  
in Mandarin 2300 GMT 4 Jan 91

[From the "News and Commentary" program]

[Text] After preliminary consultations, the Executive Yuan has agreed in principle to include Democratic Progressive Party [DPP] members and those without any party affiliation in the membership of the Mainland Affairs Council, said (Wang Tien-hsin), chairman of the Legal Affairs Commission of the Policy Coordination Committee of the Kuomintang Central Committee, on 4 January. The number of council members, he said, will be further increased to between 19 and 29.

However, Council Chairman Shih Chi-yang has requested that no boycott be launched against the resolution already adopted. At the same time, a decision has been made to establish a welfare department under the Mainland Affairs Council.

**Taiwan To Draft Law on Territorial Waters**

OW0401053391 Taipei Domestic Service  
in Mandarin 2300 GMT 2 Jan 91

[From the "National Hookup" program]

[Text] The Ministry of Interior has entrusted scholars to study and complete a draft law on the exclusive economic zone of the Republic of China [ROC]. This will legally define, for the first time, the boundaries of the ROC's economic territorial waters, and extend those boundaries to up to 200 km. The move will protect the various sovereign authorities and jurisdiction of the ROC in its economic territorial waters, and prevent foreign vessels from intruding into the waters and fishing illegally in them.

The draft law also clearly authorizes the government to chase vessels present in those waters illegally and, when necessary, to utilize all of the national strength available to accomplish the task without limiting itself to the police, Navy, Army, and Air Force.

**President Plans To Promote 'Substantive' Diplomacy**

OW0601055691 Taipei LIEN HO PAO in Chinese  
31 Dec 91 p 1

[By reporter Chen Shih-yao]

[Text] A senior government official revealed yesterday that President Li Teng-hui will adopt the "vacationing" method of foreign visits in the next half year in order to carry out substantive diplomacy. Regarding the destinations of his vacations, countries which presently have no diplomatic relations with our country will be selected, thus bringing home the significance of the substantive diplomacy. The Foreign Ministry is now proceeding with the work of determining the specific countries he will visit and arranging his schedules.

If President Li goes through with his visits, it will mark another sortie of substantive diplomacy following Premier Hao Po-tsun's successful visit to Singapore last week under the guise of a vacation. Taking the lead of the head of state to overcome diplomatic difficulties will not only further establish this mode of substantive diplomacy and help enlarge the room of maneuver in the international arena, it also will make next year one in which our country will see great strides in the efforts to promote substantive diplomacy.

This senior official pointed out that President Li wants very much to score results in foreign diplomacy following a gradual return to stability in the domestic political situation and also the soon-to-be-settled discussion on constitutional reform. Personally, President Li also wants very much to visit foreign countries and promote our country's substantive diplomacy by way of vacations. However, because constitutional reform will enter a decisive stage in the next half year, and because the president's leadership will be needed regarding the convening of a special meeting of the National Assembly

and coordination and negotiations with the opposition party on that meeting's convocation, as well as many other major state affairs, his first overseas visit since he acceded to the office of president probably will have to be postponed until after next summer.

The same senior official said that President Li's trip to friendly nations is still contingent upon the reaction of communist China and on the level of officials who will receive our head of state. If the reception level of the official is not high enough, it will be difficult to go through with the visit. Therefore, it is very difficult to select and decide on target countries. The whole operational process is now being handled by the Foreign Ministry as this matter is within its power and responsibility.

People here are of the view that if all goes smoothly by late next summer, when a program for national reunification will have been drawn up, the first stage constitutional amendment by the National Assembly will have been completed, a comprehensive plan on constitutional reform also will have been drawn up through negotiations between the ruling and opposition parties, (although the second National Assembly elections will be heating up at the end of the year, party workers will be responsible for and take care of the matter of nomination of candidates within the party and campaigning for party candidates), President Li will have ample time to engage in substantive diplomacy, actively promote foreign relations, and strive to win status equal to communist China through the diplomatic channel. At the same time, our substantive diplomacy will test the goodwill of the other side of the strait, which should help the ruling party in the elections and win voters' support and which will benefit the development of relations between the two sides of the strait.

On several occasions at news conferences, presidential spokesman Chiu Chin-yi has publicly stated that the president does have plans to vacation abroad. By next July, as the issue of constitutional reform will have been settled by and large and the Legislative Yuan session will have ended, President Li will have the time to vacation in foreign countries. The spokesman cited the example of dozens of foreign heads of state who vacation in Switzerland every year in this regard.

The source added that the date for President Li's foreign visits probably will fall between next July and August. As for the destinations of these visits, whether they will be in Asia, Central and South America, Europe, or Africa, Foreign Ministry officials will study them before making any decisions.

**Li Teng-hui Meets With South Korean Visitor**

OW0401173991 Taipei CNA in English 1604 GMT  
4 Jan 91

[Text] Taipei, Jan. 4 (CNA)—President Li Teng-hui said Friday that the Republic of China [ROC] will participate actively in East Asian regional activities and will play a leading role in China's unification in the years ahead.



Li made the statement while meeting with Pak Chong-su, chairman of the Foreign Affairs and National Unification Committee of South Korea's national assembly. The president said that the new world order is still in the making after the end of the cold war and the ROC hopes to play an active role in the international arena, particularly in East Asian regional organizations.

Li continued that the ROC also hopes to promote civilian exchanges between the two sides of the Taiwan Strait in order to pave the way for peaceful unification of China under the principles of "freedom, democracy and prosperity."

Li expressed his admiration for South Korea's achievements on political, economic and diplomatic fronts, particularly its establishment of formal ties with the Soviet Union and other East European countries in the past few years.

For his part, Pak Chong-su conveyed Korean President No Tae-u's personal regards to Li. Li also quoted No as affirming that Seoul will continue to strengthen its traditional relations with the Republic of China.

#### **French Industry, Trade Minister Arrives for Visit**

OW0501163691 Taipei CNA in English 1556 GMT  
5 Jan 91

[Text] Taipei, Jan. 5 (CNA)—French Industry and Trade Minister Roger Fauroux arrived in Taipei Saturday at the head of a 28-member delegation for a six-day visit.

Fauroux is the highest-ranking French official to visit the Republic of China [ROC] since the two countries suspended diplomatic ties in 1964.

Economic Affairs Minister Vincent Siew [Hsiao Wang-chang] greeted Fauroux at Chiang Kai-shek International Airport some 20 kilometers from Taipei.

Fauroux told the press upon arrival that he once visited Taiwan years ago on a private business trip.

Asked whether Sino-French relations could be upgraded to the governmental level, Fauroux said it is possible, but should be realized "in a gradual manner."

Siew, while greeting Fauroux that there is ample room for Taipei and Paris to cooperate in the years ahead, particularly in the fields of infrastructure construction, environmental protection and nuclear power generation.

While here, Fauroux will attend the ROC-France economic cooperation meeting scheduled Jan. 7. He will also meet with ranking Chinese officials, including President Li Teng-hui, and visit industrial establishments.

#### **Vice Minister Hails Soviet Plan To Promote Ties**

OW0501164691 Taipei CNA in English 1444 GMT  
5 Jan 91

[Text] Taipei, Jan. 5 (CNA)—Vice Economic Affairs Minister Chiang Ping-kun Saturday hailed a Soviet legislator's plan to help promote trade and economic relations with the Republic of China [ROC].

Chiang was responding to a remark by Aleksandr P. Vladislavlev, chairman of the Soviet Congressional Trade Committee. He said here that he would help promote trade and technical cooperation with the ROC.

Chiang reported that two-way trade between Taipei and Moscow has grown rapidly in the past three years. The amount already broke the 100 million U.S. dollar-mark in the first 11 months of 1990 and is expected to exceed 200 million U.S. dollars this year, he said.

The vice minister continued that his ministry is assisting the semi-official China External Trade Development Council to set up an office in Moscow to facilitate trade, investment and technical cooperation with the socialist giant. If all goes smoothly, he said, the office would be inaugurated in February.

#### **Moscow City Councilmen Visit Taipei Council**

OW0501164791 Taipei CNA in English 1505 GMT  
5 Jan 91

[Text] Taipei, Jan. 5 (CNA)—A nine-member delegation from the Moscow City Council visited the Taipei City Council Saturday.

The Soviets, who arrived here Friday for a 12-day visit at the invitation of the Taipei City Council, were greeted by Council Speaker Chen Chien-chih, other council members, and Taipei Mayor Huang Ta-chou.

Both sides expressed hope that mutual understanding will be strengthened by more frequent exchange of visits by officials and citizens of the two cities.

Chen told his guests that he and his colleagues would arrange for a visit to Moscow at an appropriate time.

While here, the Moscow delegation will also call at the ministries of foreign affairs and economic affairs, and the Taipei city government.

Then the Soviet visitors will proceed to southern Taiwan, where they will visit the Kaohsiung City Council, the export processing zone in the port city, and the Kenting National Park on the island's southern tip before departing Taiwan Jan. 15.

#### **Preferential Tariff for USSR Recommended**

OW0701055591 Taipei CNA in English 0306 GMT  
7 Jan 91

[Text] Taipei, Jan. 7 (CNA)—As trade is developing rapidly between the Republic of China [ROC] and the

Soviet Union, the ROC Economic Affairs Ministry has recommended that the Finance Ministry grant preferential tariff treatment to the socialist giant.

Since the Republic of China lifted its ban on direct trade with the East Bloc in 1988, the country has already granted preferential tariff treatment to Hungary, Czechoslovakia, Poland and Yugoslavia and now enjoys reciprocal treatment from those countries.

Trade between the Republic of China and Eastern Europe grew 41 percent during the first 11 months last year.

The Soviet Union was ROC's largest trading partner in Eastern Europe, with bilateral trade reaching 106 million US dollars between January and November, 1990.

ROC exports to the Soviet Union also grew 2.56 times during the period.

Last year also saw many Soviet trade and economic figures coming to visit the Republic of China to promote trade.

ROC trade officials believed preferential tariff treatment for the Soviet Union could produce reciprocal treatment to Taiwan products, which in turn is bound to further strengthen trade and economic relations between the two countries.

#### **Chien Fu Awaits USSR Response on Food Aid**

*OW0701121491 Taipei CHUNG YANG JIH PAO in Chinese 31 Dec 90 p 1*

[Text] Foreign Minister Chien Fu commented on calls by business circles that our country should make active efforts to establish ties with the USSR and take the initiative in helping it solve its food shortages. He said: Our diplomatic representatives abroad have contacted Soviet diplomatic representatives abroad. The USSR has yet to give us an official response on whether it wants our assistance. As for whether it intends to further develop relations with us, the response is negative.

Chien Fu said: The USSR does not have any reservations about establishing diplomatic ties with our neighbor South Korea because it does not care about North Korea. However, the USSR cares very much about the intervention and displeasure of the Chinese Communists.

#### **East European Reforms Favor Trade Diversification**

*OW0701055991 Taipei CNA in English 0310 GMT 7 Jan 91*

[Text] Taipei, Jan. 7 (CNA)—The dramatic economic reforms now occurring in Eastern Europe favor the

Republic of China's market diversification efforts, the China External Trade Development Council (CETRA) said Sunday.

Pushed by their reforms, East European countries are trying to improve trade ties with the Western world, CETRA said.

CETRA forecast that their trade with the West would eventually climb to 70 percent of the East Bloc's total external trade.

In past decades, 70 percent of their trade was conducted among COMECON (Council for Mutual Economic Assistance) countries, which grouped Cuba, Bulgaria, Czechoslovakia, Hungary, Mongolia, Poland, Romania, Vietnam and the Soviet Union.

Now with the region experiencing great political and economic changes, COMECON's functions are being reduced. CETRA pointed out that leaders of the communist trade group, formed 41 years ago, agreed Saturday to disband next month as its members move to join the world economy.

COMECON members began trading among themselves with convertible currency Jan. 1, removing the main barrier to freer trade with the rest of the world, CETRA added.

The trend favors the Republic of China, which has been encountering increasing international protectionism and is therefore trying to find new outlets in East European markets, CETRA noted.

#### **Foreign Minister Chien To Visit South Africa**

*OW0601035191 Taipei International Service in English 0200 GMT 5 Jan 91*

[Text] Foreign Minister Frederick Chien will leave for Africa on 15 January for a 10-day visit to Swaziland and South Africa. In the wake of a rumor that South Africa is going to normalize relations with Peking, Chien's visit is seen by local diplomatic observers as a countermove. Informed sources say that Chien is to preside over a conference in Swaziland in which all Taiwan officials stationed in Africa will report to him their work progress and other regional affairs. But before Chien leaves for the kingdom, he has already arranged to visit South Africa to meet with high-ranking officials, including the president there.

Foreign Ministry officials say that Taipei still maintains fairly good relations with South Africa, and there are 23 cooperation programs between the two sides.

## Hong Kong

### XINHUA Commentary on Hong Kong's Economy

OW0601180491 Beijing XINHUA Domestic Service  
in Chinese 0238 GMT 6 Jan 91

[Commentary by XINHUA reporter Huang Riyao (7806 2480 1031): "Mainland China's Science and Technology Will Create a New Turning Point for Hong Kong's Economy"]

[Text] Beijing, 6 Jan (XINHUA)—Pounded by the tide of world economic recession, how can Hong Kong promote its economic development in the 1990's? The problem is quite urgent. For this reason, some people of Hong Kong's industrial and commercial circles are seeking a way out. More and more people have realized that Mainland China's science and technology, which have been developing vigorously, will provide a new opportunity for Hong Kong's economic development in the 1990's.

### A Great Ship of Economy Is Sailing Slowly

Following the period of rapid economic growth in the mid-1980's, Hong Kong's economy has slowed down clearly since the end of that decade and the beginning of the 1990's, and has entered a period of low economic growth.

The great ship of Hong Kong's economy sailed slowly in a rough sea in 1990. In that year, Hong Kong was beset with difficulties both at home and abroad, and it registered negligible economic growth. The general economic recession in Europe and the United States and the rise of trade protectionism made it difficult for Hong Kong to accomplish anything. After the outbreak of the Gulf crisis, the continuous price increases of crude oil and raw materials pushed up the costs of Hong Kong's manufacturing industry. Competition with the Southeast Asian countries' processing industries, whose production costs are relatively low, became more and more fierce. Hong Kong also is faced with a labor shortage, repeated demands for increased wages, and the constant aggravation of inflation.

In order to reduce production costs, some manufacturing enterprises in Hong Kong have moved northward. This also brought a certain degree of pressure on the Zhujiang Delta area. Some 2 million workers from outside the province once caused a grain shortage in the area, and the supply of energy sources and raw materials also fell short of demand. At the same time, Hong Kong's enterprises, which have invested in the Southeast Asian region, also were challenged technologically by Taiwan, South Korea, and Singapore. Despite Hong Kong's painstaking efforts, it still cannot extricate itself from its difficult position. The great ship of Hong Kong's economy is still sailing in the vast sea of difficulties.

Hong Kong's businessmen spent tens of billions of American dollars to set up tens of thousands of processing enterprises in the past, and they made a lot of money. Nevertheless, looking to the future, merely depending on

processing industries to create more wealth for the people in Hong Kong cannot be continued.

Judging from the current economic situation, the main force of Hong Kong's industries in the early 1990's will still depend primarily on clothing and plastic and electronic products. Those industries do not require high technology, and rely mainly on cheap labor and raw materials to earn limited profits.

As 1997—the year when sovereignty over Hong Kong will be resumed—draws nearer, we should readjust the industrial mix and utilize high technology to manufacture products of high quality and value to adapt to fierce international competition in order to maintain Hong Kong's prosperity in the 1990's. It is imperative to switch from labor-intensive industries to technology-intensive ones. However, Hong Kong consistently emphasized trade and neglected science and technology. It has a weak scientific research foundation and needs high-technology experts. The focus of attention now finally turned to China's hinterland, which continues to reform and open to the outside world.

### The Main Theme of the Economic Development Movement

Unquestionably, scientific and technological cooperation with China's hinterland will be the main theme of the symphony for Hong Kong's economic development in the 1990's. Development through high technology and further adjustment and upgrading of existing enterprises will be the trend in Hong Kong's economic development in the next decade.

Hong Kong's industrial and commercial sectors acquired an overall understanding of the hinterland's scientific and technological superiorities through academic exchanges in science and technology and initial people-to-people cooperation between the hinterland and Hong Kong in recent years. There are more than 10 million technical personnel here, which constitute a powerful scientific and technological force. The hinterland is fully capable of developing new products with many of its advanced scientific and technological achievements of international standards. However, it lacks a knowledge of the situation in international markets and therefore faces difficulties in commercializing many of its scientific research achievements. This [the hinterland's advanced scientific and technological achievements and potential to develop new products] is exactly what Hong Kong needs. Hong Kong's superiorities lie in its advanced information network, sound distribution channels, and knowledge about readily marketable products. Its superiorities are the hinterland's shortcomings, and its shortcomings the hinterland's superiorities. Once these mutually complementing and beneficial ties are cemented, a strong productive force will evolve, and Hong Kong's economic development will see the dawn of hope in the 1990's.



Clothing, plastic, and other trades which require low technological input will be the "vanguard" in cooperation between the two regions at the initial stages of scientific and technological cooperation. After acquiring the necessary experience, the hinterland and Hong Kong will certainly push their cooperation into the fields of bioengineering, electronics information, new materials, and environmental protection technology. They will head toward cooperation in high technology, advanced technology, and fine technology as well as push the already developed economic and trade relations to a higher level.

Although scientific and technological cooperation has broad prospects in many fields, it is still troubled by some factors.

British authorities in Hong Kong pursue a policy of "nonactive interference." The lack of guidance from official organizations makes the planning of scientific and technological cooperation between the two regions difficult. Insufficient research and developmental funds from the authorities create difficulties in the absorption of new technologies and prevents their promotion and application.

Although Hong Kong's small and medium enterprises play a dominant role, it is hardly adequate to rely solely on the mere strength of these enterprises to develop high technology.

Restricted by various conditions, current scientific and technological cooperation is still limited to that between the people of the two regions and is loosely organized. This kind of budding cooperation, although trailing far behind trade exchanges and cultural contacts between the two regions, is a great improvement compared to the exchanges of the past few years, which were limited to the academic field in science and technology.

#### **A New Chapter in Scientific and Technological Cooperation**

At present, the scientific and technological cooperation between Hong Kong and the hinterland is becoming diversified and developed in depth. Without complaining about the hardships, some enthusiastic people in Hong Kong made efforts, on their own initiative, to introduce science and technology from the hinterland. They urged the government to increase investment in science and technology and suggested that nongovernmental cooperative organizations of science and technology be established, to expedite information exchanges

and application of scientific and technological achievements, as well as to accelerate the setup of high-technology industry in both Hong Kong and the hinterland. Scholars from the hinterland also made suggestions to assist large and medium-sized enterprises in setting up research and development departments step by step, to promote exchanges between trade associations in Hong Kong and the hinterland, to co-establish multinational consortia... [ellipsis as printed]

It is said that "ducks are the first to sense the advent of spring when the river turns warm." Some pioneering enterprises located by the side of Luohu Bridge tasted the rich fruits of their hard work: Hong Kong's Lian Xiang Computer Limited Company, established with an investment of HK\$900,000 by three firms from Hong Kong and the hinterland in 1988, set up information and distribution networks in Hong Kong, whereas the development and production of products are left to the Chinese Academy of Sciences. The output value of this company, which mainly develops Lian Xiang-286 [computers], exceeded HK\$200 million in 1989. The Hong Kong-invested Rongsheng Refrigerator Factory is another successful case. In spite of a weak market, the demand for Rongsheng refrigerators still exceeded supply. High profits, created by the use of high technology, encouraged more businessmen to eagerly look for business partners in the hinterland.

The year 1990 is one in which scientific and technological cooperation between Hong Kong and the hinterland advanced by leaps and bounds. Some capitalists with foresight and sagacity made huge investments in establishing scientific and technological foundations to encourage scientists in both areas to carry out systematic, thorough research into high technology. This laid the material foundation for developing new products. Following He Hongshen, who donated HK\$20 million to establish the He Hongshen Foundation for Training Astronautic Technicians, Hong Kong's Jiang Industrial Philanthropic Funds Limited Company announced last year that it would invest over \$1 million annually to promote the development of industrial technology in China, Hong Kong, and Taiwan starting in 1991. In the same year, China's "Long March III" rocket sent the "Asiasat I" satellite into space, bringing business to Asia Satellite Company in satellite rentals. This has written a new chapter in scientific and technological cooperation between Hong Kong and the hinterland.

It is predictable that China's technology will become a strong driving force for Hong Kong's economic development in the 1990's. The long-awaited spring of Hong Kong-hinterland cooperation is coming, and the flowering of scientific and technological achievements can be expected soon.

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**DATE FILMED**

8 Jan 1991

